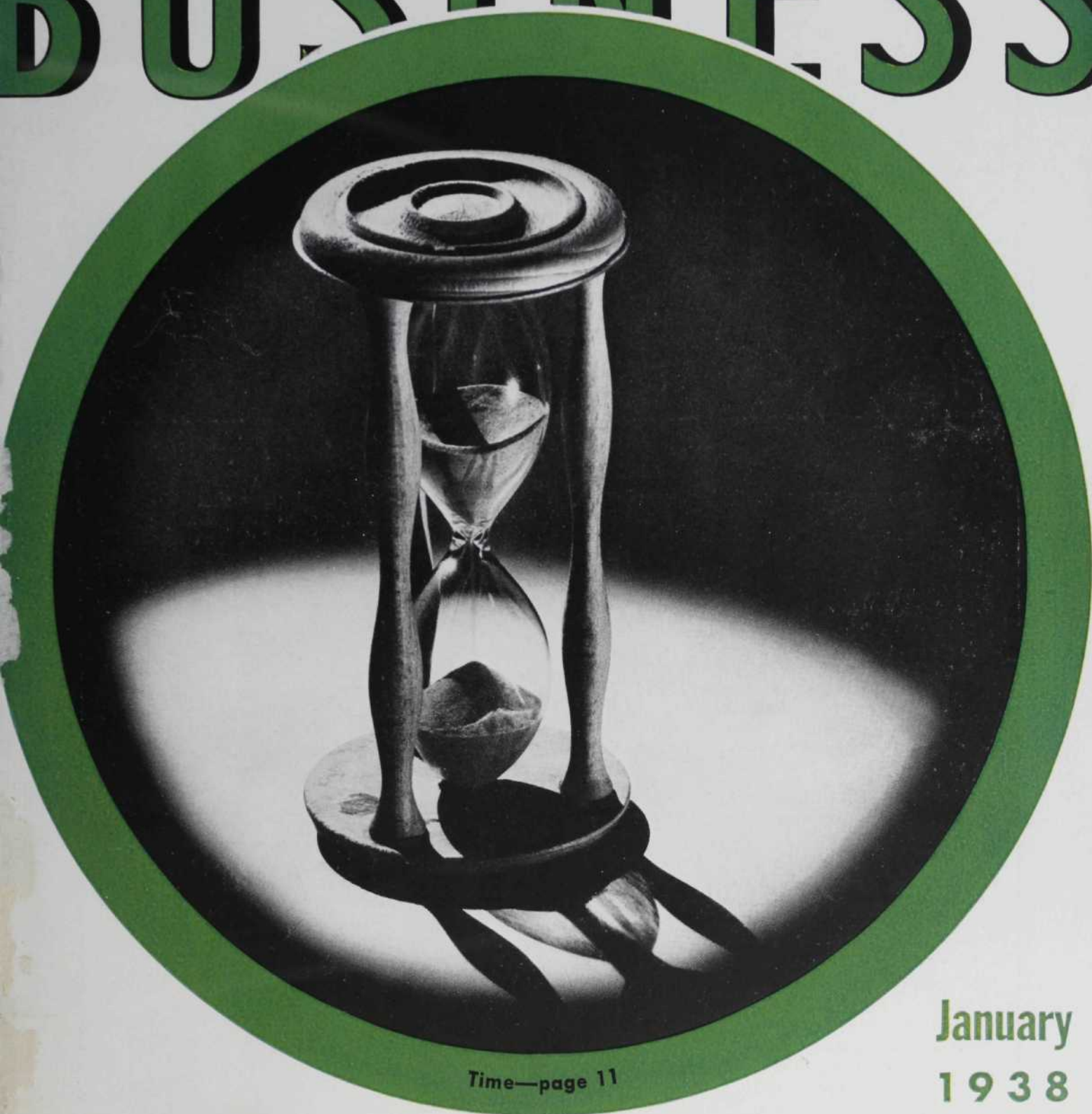


NATION'S BUSINESS



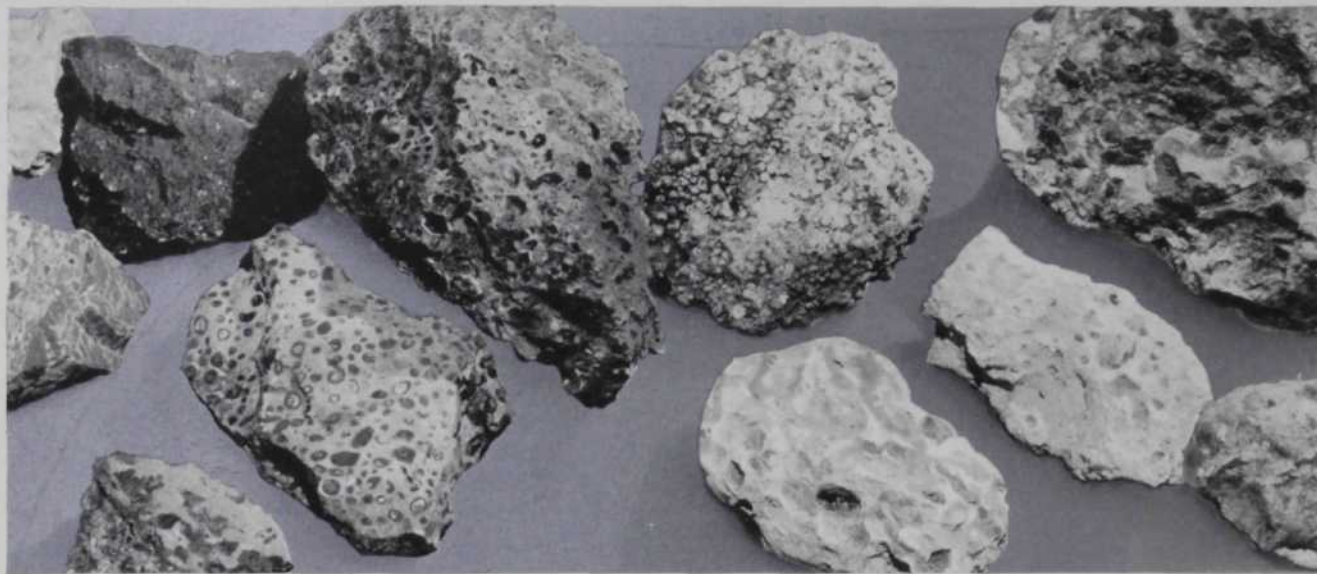
Time—page 11

January
1938

Congress Turns to Business by Turner Catledge • The World's Muddle C

★
THIS IS

Aluminum in the Raw



THESE MANY-COLORED earthy lumps are Bauxite, the ore from which we produce aluminum. There are, of course, many other kinds of aluminum-bearing minerals. Ordinary clay is a kind of aluminum ore. So are most soils and rocks. Probably one-twelfth of the earth's crust is aluminum.

But the trouble is, aluminum is never found in metallic form. It is always in complicated and stubborn chemical compounds, with many undesirable impurities.

Breaking down these compounds and getting rid of the impurities is difficult and expensive. The great problem of the producer is to do this cheaply enough to make the price of aluminum attractive to users.

WHY BAUXITE IS USED

Bauxite is the commonly used ore simply because it yields aluminum at lower expense than other minerals. Bauxite deposits are known to exist today in more than twenty countries and on all five continents. In our own country, Bauxite is found in Arkansas, Mississippi, Alabama, Georgia, Tennessee, and Virginia.

A number of companies mine Bauxite in

Arkansas and other states. Large quantities are used for making artificial abrasives, a variety of chemicals, and some special kinds of cement. But Bauxite performs its greatest service to the public as raw material for making aluminum.

FROM \$8 A POUND DOWN TO 20 CENTS

Fifty years ago aluminum was a precious metal, because of the extreme difficulty of getting metal out of Bauxite. Charles Hall, one of our founders, discovered the way to break Nature's hold on aluminum by the use of electricity.

Using his process, and the same kind of ore, the price of aluminum has been reduced dollar by dollar, and penny by penny, until we are now able to sell raw aluminum in bulk for 20 cents a pound.

For fifty years we have held to one purpose: To make aluminum plentiful and cheap. We have invested large sums of money in efficient plants to make aluminum low in cost, and in research to make it lower.

It is these investments which have given aluminum to this country so cheaply that you see it everywhere.



ALUMINUM COMPANY OF AMERICA

PLYMOUTH BUILDS GREAT CARS

**YOU'LL BE
AMAZED AT
PLYMOUTH'S
LOW PRICE**

THE



BIGGEST BUY!

CHECK VALUES among Low-Priced Cars—in Comfort, Beauty, Economy! Prove for yourself Plymouth's Easier Driving—NOW!

GET THE MOST for your money when you buy! When you look at cars—see what you *actually get!*

ONE LOOK will tell you how outstanding this new Plymouth is...how extra roomy and beautiful.

ONE SHORT DRIVE will demonstrate Plymouth's remarkable ride...its luxurious big-car comfort and amazing safety features!

OWNERS' FIGURES prove that Plymouth costs less to run than any

other full-powered car. You save on gas, oil, tires...on every item of upkeep!

THE PRICE will delight you. Ask a Dodge, DeSoto or Chrysler dealer about Plymouth's very easy payment terms. And be sure to see, drive, and compare this new Plymouth—*today!* PLYMOUTH DIVISION OF CHRYSLER CORPORATION, Detroit, Michigan.

TUNE IN MAJOR BOWES' AMATEUR HOUR, COLUMBIA NETWORK, THURSDAYS, 9 TO 10 P. M., E. S. T.

PRICES ON ALL MODELS

Delivered in Detroit, including Federal taxes. Local, State taxes not included.

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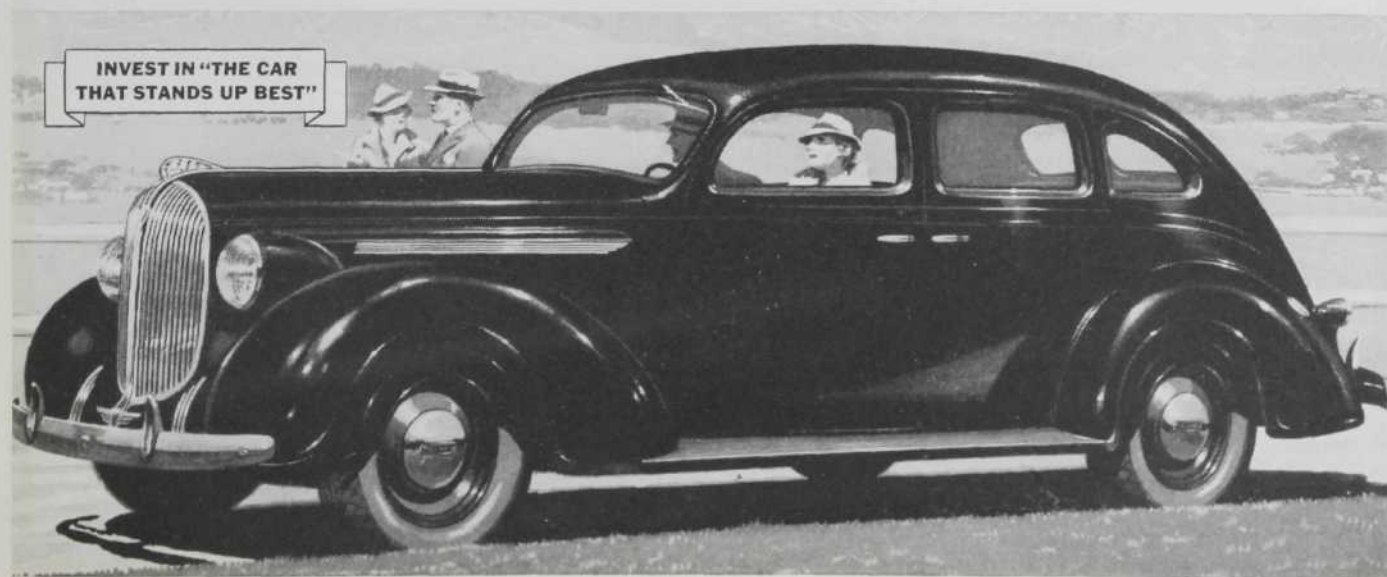
Coupe, \$645; 2-Door Sedan, \$685; 4-Door Sedan, \$730.

DE LUXE MODELS

Coupe, \$730; Coupe with Rumble Seat, \$770; Convertible Coupe, \$850; 2-Door Sedan, \$773; 2-Door Touring Sedan, \$785; 4-Door Sedan, \$803; 4-Door Touring Sedan, \$815.

For delivered prices in your locality, see your Dodge, De Soto or Chrysler dealer.

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It's electric drive that makes these trains glide along so smoothly and quietly, accelerate so rapidly, yet effortlessly. And

it's electricity that gives you adequate light for reading, conditioned air for comfort, and dozens of other conveniences found on these trains.

General Electric engineers have played a leading part in streamlined-train development—just as in all other forms of electric transportation. For more than 40 years these engineers have pioneered in building electric locomotives, and have brought you safer, faster, more comfortable transportation.

G-E research and engineering have saved the public from ten to one hundred dollars for every dollar they have earned for General Electric

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● The men who manage American Chain & Cable and the men who manufacture its many products hold fast to the company's oldest slogan: "In Business for Your Safety." The men who sell these products in every field of industry hold fast to the underlying principle of "Acco Quality." There is an honest pride throughout this organization—pride of accomplishment, service and quality.

To you who buy such products as we make, this pride is never confused with arrogance or self-satisfaction. Rather, it reveals itself as a determination to excel in design and research, in selection of materials, in methods and machines, in close inspection and careful delivery. Our men are imbued with the idea that we can and must make the finest products of their kind.

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BY AMERICAN CHAIN & CABLE COMPANY, Inc.
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A HOLIDAY MESSAGE TO THE DRIVERS OF TRUCKS

MARK TWAIN once said, "The weather is always getting up new designs and trying them on people... I have counted one hundred and thirty-six different kinds of weather inside of twenty-four hours."

When the icy blasts of the Arctic come down most of us in the North can scurry to cover, but trucks and their drivers stay out and face the music. Daily deliveries are made; cross-country transit keeps to its heavy schedules; meat, milk, and merchandise are put through as on a day in June.

Trucks today are built to take it, and so are the millions of men who pilot a world of freight on rubber. Trucks are showing their mettle and *truck drivers are on the job.*

Whether you face the elements over the hood of one of the new Internationals, or whether your truck bears another name, INTERNATIONAL HARVESTER salutes you. In the new line of Internationals we have done our utmost to give the driver snug refuge in cabs of automobile comfort, to put at his command the finest truck product it is now possible to build. Truckmen everywhere—more power to you!

INTERNATIONAL HARVESTER COMPANY
(INCORPORATED)

180 North Michigan Avenue Chicago, Illinois



Trucks of INTERNATIONAL HARVESTER Quality
— from Half-Ton to powerful Six-Wheelers

THIS IS KINGAN'S 116th INTERNATIONAL
Kingan & Co., Indianapolis, Ind., operate trucks at branches scattered from Tampa to the Great Lakes, from New York to San Francisco. Users of Internationals for seven years, they are now standardizing on Internationals.

INTERNATIONAL TRUCKS

QUESTIONS our readers are asking:

- 1 • WILL the new Congress do anything to help business? . . . ANSWER ON PAGE 15
- 2 • WHAT good does it do to have all this gold if we keep it hoarded up and nobody can use it? . . . ON PAGE 18
- 3 • DOES the Government housing project at Greenbelt really solve the problem for low income families? . ON PAGE 21
- 4 • WE like to think that business men built up this country but, after all, did they? What about the Pilgrims, for instance, were they business men? . . . ON PAGE 24
- 5 • WHY does everybody listen to attacks on business but pay no attention when business tries to defend itself? . . . ON PAGE 27
- 6 • I SUPPOSE I ought to support my trade association but what would I get out of it? . . . ON PAGE 33
- 7 • WILL anything come out of the conferences between C.I.O. and the A.F. of L? . . . ON PAGE 37
- 8 • EVERY time you pick up a newspaper you see that a new organization of consumers has been formed. What are they all trying to do? . . . ON PAGE 40
- 9 • IF this country actually needs as many new homes as they say it does, why doesn't somebody build them? . . . ON PAGE 54
- 10 • HOW bad a depression is this and how far is it going to go? . . . ON PAGE 62
- 11 • WHY has there been such a big increase in airplane travel? . ON PAGE 63
- 12 • HAVE we got inflation now, or are we going to get it? . . . ON PAGE 78

What is Coming in February . . .
Turn to Page 98

Contents for January . . .

	PAGE
Congress Turns to Business	15
By TURNER CATLEDGE	
The World's Muddle over Gold	18
By STEPHEN LEACOCK	
\$16,000 Homes for \$2,000 Incomes	21
By GEORGE MORRIS	
The Business Man on the Mayflower	24
By FRANK H. ALLEN	
Business Must "Sell" Itself	27
By HOWARD WOOD	
The Coast Guard, a Business Man's Navy	30
By HERBERT COREY	
The New Trade Association	33
By LUTHER K. BELL	
Consumer Clans Are Gathering	40
By FRED DE ARMOND	
What Can Be Done About Housing?	54
Were the First Ten Years the Hardest?	63
By W. A. PATTERSON	
Associations Are Public Benefactors	72
By PHILIP P. GOTT	
The Regular Features	
<i>Through the Editor's Specs.</i>	7
<i>From Bottom Up or Top Down?</i>	By MERLE THORPE 13
<i>Leaders in the March of Business.</i>	29
<i>Business Men Say.</i>	36
<i>Washington and Your Business.</i>	By HERBERT COREY 37
<i>No Business Can Escape Change.</i>	46
<i>Memo . . . for Busy Readers.</i>	50
<i>Seeing Red.</i>	52
<i>The Map of the Nation's Business.</i>	By FRANK GREENE 62
<i>Speaking of Finance.</i>	By EDWARD H. COLLINS 78

NATION'S BUSINESS • CHAMBER OF COMMERCE OF THE UNITED STATES

VOLUME 26

Merle Thorpe, Editor & Publisher

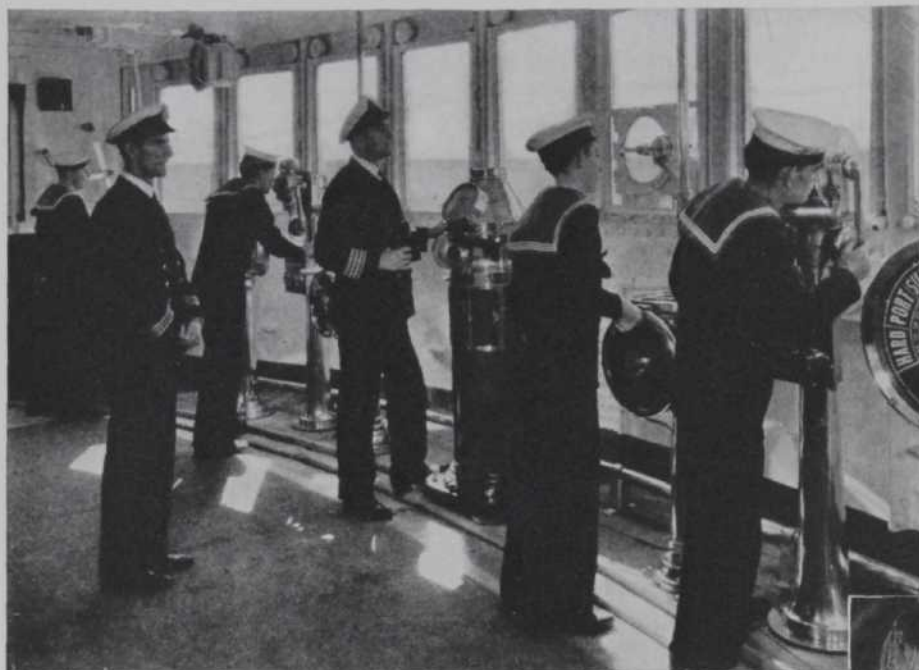
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BUSINESS DEPENDS ON MONROE FOR FIGURES



SHIPS . . Back of the romance of the Queen Mary and the other great Cunarders is a mass of figure work—fares, freight rates, insurance, supplies, payrolls. The Cunard White Star Line uses Monroes, both adding-calculators and listing machines.



SMOKES . . Lucky Strikes by the billions for the millions necessitate the most modern figuring equipment there is. American Tobacco Co. uses both Monroe adding-calculators and listing machines in its offices and plants.



CUPS . . More Monroe calculators for the Lily Tulip Company. It takes a lot of prompt, accurate figures to keep up with the growing demand for paper cups.

SUDS . . As the millions and millions of boxes of Lux pour out of the Lever factories, a steady flow of Monroe-calculated figures speed up the business. Lever Bros. are steadily adding to their Monroe equipment.



IT'S as simple as this—business the world over uses Monroe machines, because Monroes turn out the greatest number of accurate answers in the least time, at the lowest cost. The thousands of men and women who operate Monroe adding-calculators and listing machines know that the "Velvet Touch" keyboard action, the simplicity, the speed, the quiet of Monroe operation cut the strain and stress of the day's work to the vanishing point.

SPOT PROOF . . You know your Monroe-calculated answer is right the first time. No need to refigure to check correctness. Each step is checked as you go and the proof of correctness is always before you. Photo shows newest Monroe Adding-Calculator, Model MA-7.



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SAVES \$180 A MONTH WITH IRON FIREMAN



Plant of Haeger Potteries, Inc., Dundee, Illinois, and
E. H. Haeger, President.

Automatic Coal Firing pays for itself

PERHAPS you can make important operating savings in your boiler room just as Haeger Potteries has done. E. H. Haeger, with the aid of Iron Fireman Pneumatic Spreader stokers, has cut steam costs to 17c per thousand pounds. When plant production doubled, coal consumption increased only 20%. Fuel cost savings of \$180 a month are credited to Iron Fireman firing. "In two years of operation," says E. H. Haeger, "the stoker has satisfied us in every respect and we recommend it highly."

What about your plant?

An Iron Fireman installation may be the best new equipment investment you can make. Your Iron Fireman dealer welcomes the opportunity of making a report on the savings you can expect with scientific Iron Fireman firing. Ask for this service or write the factory at 3030 W. 106th St., Cleveland for literature. All Iron Fireman models are available on convenient monthly payments. Iron Fireman Manufacturing Company, Portland, Oregon; Cleveland, Ohio; Toronto, Canada. Dealers everywhere.



Iron Fireman Pneumatic Spreader stoker
installation at the Haeger plant.

IRON FIREMAN
AUTOMATIC COAL BURNER

Through the EDITOR'S SPECS

Much ado about Bedaux

OUR "loathed but esteemed contemporary," *The Nation*, was one of those who joined the hue and cry about Charles Bedaux, who was to have been the Duke of Windsor's guide on an American tour. Editorially it castigated Mr. Bedaux's "labor stretch-out system" as having some nefarious connection with the destruction of trade unions in Nazi Germany. But in the same number of *The Nation*, the leading article, "Twenty Years of Progress," by Maxwell S. Stewart, cited the great industrial production record being made in the Soviet Union by the use of Stakhanov's system of organizing factory labor output on a scientific basis. Stakhanovism in Russia is "a national religion of progress;" the Bedaux system in America is just a "slave-driving of the workers."

And we thought it just happened

WHILE violent winds blow over the halls of justice in Washington, a "Supreme Court" of nine (woman)-wise men quietly hand down decisions which, if they do not affect our life and liberty, do have a bearing on our pursuit of happiness. Before this "court" a jury of women fashion experts present their findings and predict what our women will wear on their feet.

The shoemaker who sticks axiomatically "to his last" may miss the essential last word in chemistry, foreign market quotations, color technique, and women's whims. Today's cobbler must be conversant with "fines, semi-fines and scratch," and stir on his bench, so to speak, when he hears that "light native cows have slipped" or that "shoulders advanced."

For shoes are no longer just shoes—into them go, according to purpose, sex and fashion, pulp and paper, fibre-board, alligator, wood, silk, velvet and cloth, Argentine steer and elk, steel and sheep. Also such matters as aluminum eyelets, cement fasteners. They are heelless, toeless, occasionally soleless. Barefoot and sandal types are increasing; fabric uppers

and trade-marks are decreasing.

"Heel, toe and away we go" has reversed its sequence. According to the shoe-salesman, it is *toe*, heel—and if the toe (which is the first thing the customer sees) has the right sales-appeal—away we go to the tune of 414,227,275 pair a year.

The "stabilization" gag

IN NEW YORK CITY a branch of the Amalgamated Clothing Workers of America, C.I.O. affiliate, lured employers in the laundry industry with the old siren song:

Sign up with us and we'll help you to stabilize your industry. We will put the chiseler and the cut-throat where they will have to charge the same prices as you of the better element.

All but a few units of the industry signed a closed shop, exclusive bargaining contract.

Wages and hours were referred to an outside arbitrator, Dr. George W. Taylor of the University of Pennsylvania.

When Dr. Taylor had studied the briefs submitted by employers and union he made his award. Its chief plank was a general ten per cent wage increase, in addition to a number of adjustments in hours. The increase is over *prevailing wages*, which means that the cut-price operator still holds the same differential he had. Those who had made wage increases just before the arbitration as well as those who have always paid good wages must raise in the same amount as their competitors. Consumers face price increases of from ten per cent to 20 per cent, employment is reduced and the employers continue to tell the story of their operations in red ink.

"Inevitable" misquotations

THE headlines and not the editorial policy of a newspaper exert its greatest influence. Sometimes one may directly contradict the other. For instance, the New York *Herald-Tribune* is known to be a strongly conservative organ and as such is completely out of sympathy with mob rule of any sort. But it recently ran this full-column head over a story about a speech by



HEART SPECIALIST

THIS MAN is listening for trouble in the heart, the *power-plant*, of one of America's great industries.

Daily, skilled Hartford Steam Boiler inspectors travel the length and breadth of the land, checking on engines, turbines, boilers, on all power equipment insured by *their* company.

Unseen by executives, another unique group of specialists, the Hartford engineering staff, studies trends and techniques—reports them to the far-flung Hartford field force for practical application in lessening likelihood of accident.

Back of the individual inspector, back of the engineering staff is an *organization* devoted *solely* to engineering insurance. This is a complicated business. It takes skill, resource, the best energies of best men. Sheer volume of insurance placed equips Hartford with a unique understanding of diverse power problems—of ways to keep plants running *safely*.

Ask your agent or broker to place *your* boiler or machinery policy with this organization of specialists—industry's choice for half of all engineering insurance carried in America.



**THE HARTFORD STEAM BOILER
INSPECTION AND INSURANCE COMPANY**

HARTFORD, CONNECTICUT

OLDEST IN THE COUNTRY, LARGEST IN THE WORLD. ENGINEERING INSURANCE EXCLUSIVELY.

William B. Herlands, assistant to Thomas E. Dewey, special racket prosecutor in New York: "Dewey Aid Says Strike Violence Is 'Inevitable.'" Next day those readers who conned the *Tribune* carefully saw buried among other news a short item in which Mr. Herlands corrected the press. What he actually said was that "Strike violence is *neither inevitable nor necessary*."

Name your weapons

AT THE New York Book Fair, a speaker contended that the consumer of words, the reader or listener, needs standards to protect him no less than does the consumer of goods. He specified the use by writers and speakers of words which, although in common circulation, have no clearly defined or standardized meaning. As a result those who argue sometimes never understand what their contention is over.

The idea is suggestive. Think, for instance, how the smoky atmosphere of many business meetings would be cleared if the speakers were given a list of terms which they would not be permitted to use without first defining them satisfactorily. Such a list probably would start off with such overworked substantives as "quality," "fair practices," "reasonable profit," "chiseler," "price cutting," "cut-throat competition."

For a labor meeting here are a few hazy terms that need defining: "decent standard of living," "the workers," "majority rule," "scab," "intimidation," and that old favorite euphemism, "peaceful persuasion."

... such as, for example

DR. E. R. WEIDLEIN, director Mellon Institute of Industrial Research and head of the American Chemical Society, told this one:

A firm making commercial scales had a problem. Its product weighed 174 pounds. It almost broke the backs of strong salesmen picked to demonstrate it and sometimes counifers gave way under it. It must be lighter. Plastics? None known had the requisite qualities. This was in 1931, nevertheless the company found the money for research in a new field.

Something entirely new was developed, from a new source of raw material. It was not until 1935 that the company introduced scales weighing 54 pounds. But its plastics division paid the parent company's dividends throughout the depression, during which time this unpremeditated offshoot became one of the biggest units in the entire plastics industry.

And there are no more frontiers!

And some would draw us diagrams,

self-guaranteed to plot and plan the future of all economic and industrial development!

So long as executive brains pick technical brains, and both adventure together, no man, or group, can chart the future of American business.

NLRB catechism

"HOW To Deal With Organized Labor" is the title of a new book by two lawyers experienced in the subtleties of labor negotiation. It contains a catechism on collective agreements in which we ran across this succinct and perhaps unconsciously ironic passage.

Question: Does the majority of workers mean a majority of all those employed?

Answer: No, it means a majority in the appropriate bargaining unit.

Q. What is an appropriate bargaining unit?

A. It is what the National Labor Relations Board decides it to be.

All this is in line with the position of the Board that the rules of evidence do not apply in its "courts."

Watch us grow

TEN years ago, NATION'S BUSINESS, a voice crying in the wilderness, warned against the danger of socialized medicine in this country. Two years ago we pointed out how, under socialized medicine in Germany, annual loss from sickness increased from 5½ days to 28 and that the bureaucrats outnumbered the panel doctors. Recently we called attention to the organization of a "Group Health Association," subsidized by an annual contribution of \$20,000 from Federal Home Loan funds, and again sounded the tocsin. Now comes announcement of the organization of the "Committee for Co-operative Medical Service for Federal Employees." Headed by Dr. Paul Pearson, former Governor of the Virgin Islands. He predicts that the membership will soon reach 50,000, and makes the Federal Home Loan Board's socialistic venture with its 2,000 members and \$20,000 subsidy, appear insignificant by comparison.

Politics & business

WHAT a tangled web we weave when we turn over to political boards the direction and control of business—prices, production, wages, and hours. Resigning from the legal staff of the Bituminous Coal Commission, George E. Acret asserts that a scheme by the chairman to fix the price of railroad fuel below cost of production was at the bottom of the conflict within the Commission. Relates Mr. Acret:

Shortly before the vote on railway fuel was to come before the old commission

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*...until you see this amazing
Remington Rand Portable*

WRITE FOR 7-DAY FREE TRIAL. Mail coupon below for 7-day free trial of new Remington Rand Portable Adding Machine. Use it in your own office. See how simply it operates—beginners develop natural touch system in few days. Study all the new exclusive features listed below. Then

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6 AUTOMATIC TOTALS through motor bar. No special key necessary. A distinct operating advantage.

7 SUB-TOTALS where required through depression of electrified sub-total key.

8 COLUMN INDICATOR readable in terms of dollars or units.

9 SINGLE OR DOUBLE LINE SPACING mechanism to meet owner's requirements.

10 THREE CARRIAGE WIDTHS to meet any business requirement.

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12 MADE BY REMINGTON RAND—world's largest manufacturer of office equipment. One year warranty.

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465 Washington Street, Buffalo, N. Y.
Without obligation, please send me literature describing your new Remington Rand Portable Adding Machine and tell me about free 7-day trial offer. I am interested in ☐ electric model, ☐ hand operated model.

Name.....
Street.....
City..... State.....

Ok..it's from
Remington Rand

OF INTEREST TO TELEPHONE USERS

I think many people have only a vague idea of how our company functions within the Bell System, and how a unique business philosophy is operating to make your telephone service increasingly dependable and economical. This advertisement is the briefest possible statement of the philosophy that guides the Western Electric Company.

August H. Bloom
PRESIDENT

In 1882 the Bell System became convinced that the best way to assure uniformity of equipment necessary for universal telephone service was to control its manufacture through *one* organization. To this end it acquired the Western Electric Company, which operates under this three-fold policy:

1. To make telephone apparatus of high quality.

This in itself is not unusual. What *is* unusual is that every item of equipment in the vast network of the Bell System must coordinate so perfectly that from any Bell telephone you can talk clearly with any one of the millions of others. Can you think of any other product which must meet such an extraordinary test?

2. To work for efficiency and lower costs.

Whether it be in purchasing materials—or in manufacturing the 43,000 items of telephone apparatus—or in distributing all this equipment to the Bell companies, Western Electric is always seeking the better way. As a result it

has a progressive record of methods developed, products improved, economies effected, and costs lowered.

3. To keep prices at the lowest possible level consistent with financial safety.

Western Electric furnishes most of the telephone equipment used by the operating companies of the System. By combining their requirements it is able to manufacture more economically; and it eliminates selling expenses and credit losses. The resulting savings it passes along to its telephone customers in the form of lower prices.

On these sales the policy of the Company is to set the lowest prices which will enable it to pay fair wages to its employees, to earn a fair return on the money invested in the business,

and to maintain the Company's financial stability.

This policy of voluntarily limiting profits is reflected in the Company's financial record. In recent years it has earned on its investment a rate of return only about half as large as that of a representative group of comparable manufacturers, and over a period of twenty years this rate has averaged less than 7%.



This set-up within the Bell System results in low costs to your Telephone Company, and thus Western Electric contributes its part in making Bell Telephone service dependable and economical.

Western Electric

BELL SYSTEM SERVICE IS BASED ON WESTERN ELECTRIC QUALITY

he tried to induce the labor member and me to make a junket to Europe to investigate coal in all European countries and had the old commission designate an expense allowance of \$12,500 for this purpose.

Unfortunately such disclosures come only from resigning officials.

Turkey diet tires tasters

A GOVERNMENT job, any Federal employee will tell you, is not a sinecure. Take for example employees in the Department of Agriculture, Bureau of Agricultural Economics, where six qualify as "turkey tasters." To some the task would be a pleasure. To them it is just another chore. They can't even enjoy the roast turkey. They must keep their minds on their business and record their findings. They are required to pass judgment on aroma, texture, flavor of fat, flavor of lean, tenderness and general conclusions—in such degrees as desirable, neutral, tough, pronounced, coarse, fine, good and poor. As they file their findings in the government's archives, they plaintively conclude: "Eating turkey can make you tired of turkey. It keeps you from wanting dinner. It is also tedious when you sit and eat turkey for many hours."

But who reads history?

SOME timid souls among the opposition to rampant domination by the sub-man—antithesis of Nietzsche's superman—keep insisting that the only way to fight these forces is to conciliate. They would try to stop the share-the-wealth drive by more sugar-teats of "social" legislation.

A similar mistake was made by the leaders of the Girondist party in France—Vergniaud, Brissot, Condorcet and others—during the Revolution. They compromised and conceded when they should have fought, and the error cost them their heads.

Likewise in Russia, Kerensky and his followers destroyed Czarism, took steps to set up a republic, but soon were overthrown as extreme conservatives. Lenin and Trotzky apparently went all the way to the Left, but still the Reds were not satisfied. And so today we see the spectacle of Leon Trotzky an exile with a price on his head as a reactionary.

Time

ON OUR COVER this month, Photographer Ewing Galloway pictures an hour glass. It is a fitting symbol of the season. The old year has just completed its allotted 365 days. A new year takes up the march toward eternity. As far as the hour glass is concerned, it, too, will have 365 days.

But, in a larger, more practical sense, the new year will be longer than the old, just as 1937 was longer than the year preceding. Business has done that. Out of its research departments and laboratories, it has constantly poured new things, which, although they do not change the actual cycle of the seasons, greatly enlarge the possibilities of the days that make up those seasons. Tasks which once took days now take minutes. Journeys which once took weeks, take hours. Such things mean longer life—not, perhaps, in actual years and months, although those, too, are increasing—but in accomplishment, in leisure, in the joy of living.

Thanks to business, the "sands of time" run more slowly today than in the past. They will run more slowly still tomorrow.

The beaten path

THE mousetrap theory of business leadership became obsolete when mass selling became a reality. Or so we have been told. No matter how good your mousetrap, declared the new era boys, you had to advertise it wide and far or an indifferent world would let you starve. Maybe so, but two reports on the desk this morning raise doubts. In the wilderness of the General Electric building in New York City the Signaphone Corporation has built its house. Its mousetrap is a device for automatically dialing any pre-determined telephone number when trouble is afoot and no one is around to report it.

This device was mentioned briefly in these columns recently. The mention was read by a manufacturer in Virginia, who had just suffered \$800 water damage because no one was present to shut off his sprinkler system when the fire was out. He beat a path to the Signaphone door, taking some 20 neighboring manufacturers with him.

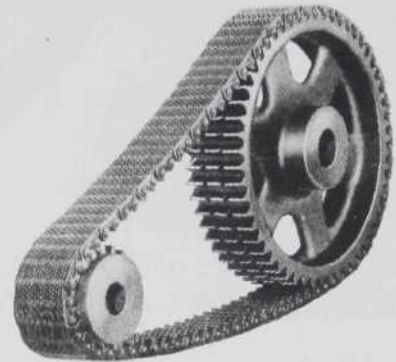
That's one instance. Here is the other. An Iowa manufacturer developed a set of chips for keeping bridge scores. We mentioned the fact in NATION'S BUSINESS—two lines in the middle of a page. Now he writes:

This mention has brought us more inquiries from individuals than any other piece of publicity. Up to date we have had some thirty inquiries from this NATION'S BUSINESS article and over half of them have resulted in sales.

We make these sets in three qualities to retail at \$2, \$4, and \$7.50. The \$7.50 set has been purchased in every case by the NATION'S BUSINESS inquirers.

So maybe the mousetrap theory is right after all. Save your advertising money. Just make a better mousetrap and wait until we mention it in this great business journal!

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*Recent tests prove this greater efficiency with Morse Rocker-Joint Silent Chains.

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FOR nearly a quarter-century the men who run America's mills and mines and factories have thrown open their doors to the G.T.M.—Goodyear Technical Man. Long ago they discovered that the G.T.M.'s mission was to serve them in their endless fight for greater efficiency and economy. They came to know him as a friend who spoke their language; a practical man who could listen intel-

ligently to their difficulties and understand their specific needs in mechanical rubber goods.

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GOOD YEAR
BATTERY
NOW!



From Bottom Up or Top Down?

SAMUEL BLYTHE, at the turn of the century, drily observed: "Every man—and woman, too, for that matter—feels that he can run a hotel or a newspaper better than its owner." And, 35 years later, last month, a member of the Federal Coal Commission stated that the commissioners could do a better job of operating the coal mines than the present operators. Advocates of public ownership of business presumptuously take the same position.

As a result of this belief on the part of those who have the ear of the public, we hear today one of the strangest doctrines of all: that, through political action, the nation must restore democracy to the people, that prosperity is conditioned on the country's purging itself of tyrannous economic royalty.

It is hereby submitted that, of all the poppycock that has insulted a free and vigorous people in a generation, this is it.

Where do the royalists come from? How does economic royalty reproduce itself? Who are its crown princes? It is well to investigate.

Whence came this new captain of a great steel company last month? Born in a coal miner's hut. Where did economic autocracy go the other day to get the new president of a great packing company? An office boy 30 years ago. Where did a world renowned Chicago store find its leader, who died in November? In a college class room.

From what economic loins sprang the presidents of our biggest railroads? More than 100 came up from the ranks of telegraphers, track-walkers, transit-carriers, clerks, from the humblest of positions. Some time ago a casual inquiry showed that half the New York bankers were born in the Middle West, and most of them on farms. The presidents of Bell Telephone Companies all began at the bottom, not one earning \$20 a week at the start.

Where did this grasping, self-perpetuating dynasty get the head of the world's greatest automobile corporation? An immigrant boy, who stepped off the gangplank in New York at the age of 18. And his competitors? One, whose first name is Henry, was an itinerant watch and clock repairer, and the other, Walter, a mechanic in a railroad shop at Ellis, Kansas.

Well, if this be flouting democracy, give us more of it. To our simple mind, America's industrial system is democracy's finest fruit and flower. Where, since the world began, has a youth unknown to fame and fortune had greater opportunity?

Much talk there is of youth and its movement. Very well, then, put the question, *unvarnished*, to youth. Let the poor boys answer, those who are coming up, without heritage of riches or influence, let them have their say.

Ask them this question:

"Do you want place in America's industrial sun by your own efforts, as has been the case in the past? Or do you prefer to take chances upon politics-minded Washington to discover you, appraise your ability, appoint you, and, upon confirmation of the Senate of the United States, raise you overnight to a position of business responsibility and respect? The self-reliant way, or the political way?"

The answer of Young America—and its parents!—to this is the answer to another and more disturbing and important question:

Is the stock of pioneer America deteriorating?

Faith in ourselves, hard beset at times, leads to the belief that America will make the right choice because its way has been freedom's way.

Merce Thorne



THE THINKER GOES MODERN

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Congress Turns to Business

By TURNER CATLEDGE



A Senate committee discusses the housing bill. Senator Wagner at head of table

Representative Zimmerman, Missouri, outstanding fighter against federal regulation of hours and wages

AFTER nearly five years of a decidedly secondary rôle in the national political drama, Congress has again claimed the spotlight. From things transpiring in the closing scenes of the last act—the special session—which in themselves were an epilogue to that dramatic episode when the Senate defeated President Roosevelt's Court-enlargement plan, the country has been warned to keep a close eye on the next scene for that fast and furious action through which great plays often move to their climax. That next scene is the second and last regular session of the Seventy-fifth Congress which is soon to convene in Washington.

The general tenor of the next act has already been pretty well set, and here we indulge ourselves in a bit of forecasting, general though it must be, as to what is to follow:

The coming session may well go down in history as the most business-minded meeting of Congress since the national legisla-

ALL PHOTOS FOR NATION'S BUSINESS BY LOHR

Chairman McDonald, of Federal Housing answers questions by Senator Byrnes





Senator Harrison,
Chairman Finance
Committee, active in
tax revision



Senator Vandenburg,
Finance
Committee
member



Senator Townsend, Delaware business
man, member of the Banking and Cur-
rency Committee



Senator King, out-spoken
advocate of repeal of un-
distributed profits tax

ture bowed to the New Deal philosophy in March, 1933. Moreover, in moving toward this record, the session bids fair to be one in which Congress begins to reestablish itself as a "coordinate" branch of the Government, altering its function as strictly an obedient court of ratification for policies of the executive which it had carried out with but a single notable exception from 1933 until the special session last November.

Indeed, these are not so much predictions as they are an appraisal of the forces let loose by a sudden and frightening business recession and an estimate of some of the possible results of those forces upon Congress as indicated by the demeanor of its members in the session just closed. Little stress

can be laid at this time on the probable fate of particular pieces of legislation. The session will begin with perhaps as little definite program as any in recent years, although it would seem that certain courses have been fairly well laid—such as the determination to alter the tax structure in favor of private capital.

There are factors of much greater importance in the present congress-



Representative Crowther of New York, member of the
House sub-committee which is rewriting the tax bill

sional situation than the possibilities for any technical bills; factors which likely will have a direct and overpowering influence on all prospective legislation. Chief among these is the mood of Congress—tremendous in its importance, not alone for what it may contribute to the coming program, but even more so for what it might reflect as to the mood of the country itself.

One need spend little time now in describing the new attitude on Capitol Hill. It has been pictured and painted and otherwise presented so often in the past few weeks as to make wholly repetitious any attempt to portray it now.

There is one thing we would pause to point out, however, and that is the all-pervading color which gives definiteness to the picture:

The business situation in the country—the downward trend of commercial indices, the clamor from Main Street to Wall Street that the Govern-



Representative Pettingill, forthright advocate of a square deal for business and industry



Senator Capper, advocate of government retrenchment and tax modification



Senator Byrd, Finance Committee member, active in tax affairs



Senator George, of Georgia, also concerned with tax revision

ment turn more of the recovery responsibility over to private capital and a feeling that governmental policies thus must be altered in a manner to help instead of hinder the restorative processes within the capitalistic structure.

This influence will affect, and at times may even dictate, the course of legislation during the coming months. Its force will be felt, not alone in the halls and committee rooms of Congress

where laws are supposed to be written, but also, as has already become evident, in the White House studies and other softly lighted private quarters in downtown Washington where governmental policies have been born in one set of quintuplets after another for the past four and three-quarter years.

Even as the special session just closing developed the trends from which these predictions are hardly escapable, so also did it set the stage for what

seems certain to follow. That session was indeed a strange affair, although it perhaps served a great purpose when viewed from every angle.

It was conceived in the mind of the President last summer even before the first regular session of the Seventy-fifth Congress came to a close. After his bitter defeat on the Court enlargement bill—the first notable occasion when a New Deal Congress flatly re-

(Continued on page 82)

The World's



I WILL put the end of this article at the beginning. It saves readers a lot of time. They don't need to read it. The central claim of this essay is that the chief cause of the world's economic distress, national and international, and of the present fall of security values, is the *abandonment of gold as a free, active medium of currency and exchange*. The world's commerce is being strangled, not by tariffs and barriers—those cannot do it alone; commerce can climb them—but by the bonds that tie up the world's gold and label it, “*Reserve, kept for a Rainy Day.*”

The gold, never used, is like a raincoat hung on a peg, too good to wear. Meantime business wears its paper suit of mimic dollars and mock sovereigns and make-believe francs—and the rain drenches it.

The world's present situation in regard to gold has grown up out of a complicated historical setting. Gold came into the commercial world centuries ago with a halo of magic about it, a King's head stamped upon it and a prestige around it like the “taboo” that surrounds a Polynesian god, so sacred that you mustn't name him.

It took centuries of commerce and a long evolution of clear thinking to teach the world that gold is just a commodity, not essentially different from lumber, wheat or cement. It is just one of the things we produce and, being hard to produce and indestructible and infinitely divisible, a good thing to measure all the others by. The world learned all that gradually in the hundred years from Adam Smith to General Francis Walker. Forty years ago it seemed that the

Business can overcome tariffs and trade barriers but it cannot cope with the practice of tying up the world's gold in reserves

world knew it all so thoroughly that nothing could ever undo it. Then came the Great War and the flood of paper and the flight of gold, with all the world on a basis of irredeemable paper and trying to pretend that it is good.

Back to antiquated economics

MEANTIME, the world's attitude toward gold has gone back to that of the Middle Ages. It is kept in vast “reserves”; no government dreams of spending it; no one must touch it, or use it, or hoard it, or buy, or sell it without a license. It sleeps like the Polynesian god and we mustn't waken it. To be without it is supposed to spell utter disaster; to have it means to

keep it tight, sit on it and chase everybody away.

At the time of writing, the British Chancellor of the Exchequer is sitting on about \$1,700,000,000 using the dear old dollar of our lost paradise and parity of \$20.67 to the ounce. The Secretary of the United States Treasury sits on about \$8,000,000,000. The President of the Bank of France, until the recent slump in the franc, sat on at least \$2,000,000,000. The world's reserves held by governments and central banks are placed (July, 1937) at \$23,692,000,000 (new standard dollars of 15 $\frac{1}{2}$ grains, or more than \$15,000,000,000 the old style).

Round these hoards and reserves has come a growth of myth and superstitions thick as underbrush. For

Muddle over Gold

By STEPHEN LEACOCK

WORLD TRADE is stifled because of the lack of a real monetary standard

proof, read the current press. France, which has no gold mines and no physical interest in the metal, swears with tears in its eyes that it will never abandon gold, quite unaware that it has already abandoned it. The British Chancellor of the Exchequer still parades the "reserve of the Bank of England"—its proportion of gold to liability—which lost all meaning when it lost its use. He still stands over it like a cow with a dead calf, or like the child in "We are Seven," who doesn't understand about John and Jane being dead. But the Chancellor and those about him feel safer standing near to gold even if only near its tombstone.

Of the opposite character is the other myth that gold is a wicked, evil metal which forces prices down, enables the rich to exploit the poor and crucifies whole nations on a "cross of gold." Witness the other day the declaration of a major section of the British Labor party that the "gold standard" must never come back. It is like a ghost beside the bed of labor, a jack-o'-lantern pumpkin grinning on a Thanksgiving stick. Take it away!

In some quarters, in this universal confusion, the myth is carried further. Not only gold and the gold standard but with them the banker who sits on them and the mysterious thread called credit that he spins like an evil spider—all this is furiously denounced.

In such an atmosphere, poisonous seeds may blow anywhere. The old quiet, sane notions of money that it took centuries to inculcate are disappearing in a cloud of Alberta dust. To meet the situation, the new medicine men get together with a set of nostrums as futile as witch doctoring in a Congo tent. There are "stabilizing funds" and "equalization accounts," tricks that postpone but do not avert disaster. Money is thrown on to the market and taken off it; credit is made easy or choked up and made

hard; gold is "sterilized," or—lucky metal—"unsterilized." With it all the world's work slackens, the world's intercourse chokes and the world's resources lie all dead. In this living body the circulating stream of life is coagulating.

Gold circulated a long time

GOLD arose as circulating money so far back that it antedates all history. Gold coins were struck in Asia Minor a thousand years before Christ. The reason for this is obvious. Barter becomes impossible once primitive life passes into social. Hence certain things of a kind that everybody wants all the time circulated as a way of making exchange easy—such things as jewels, gems, and the bright metals, gold and silver. These were always good, to hold or to pass on.

In the course of centuries gold beat them all. It was indestructible, divisible to any extent. In the old days, in the earlier Middle Ages, its pale sister, silver, beat it out. Gold was too valuable. At the time of the Norman Conquest a horse—man's most expensive possession—cost six dollars. Beer in that lost paradise was sold at *one penny* a gallon. Even if a man's wages were only four pence a day, at least the laborer could buy 32 pints every evening.

When the first country knights went up to parliament in 1295 A.D. they were paid 50 cents a day for the maintenance of themselves, their horses and servants in London, and, at that, knighthood, if not in flower, was at least in clover.

As gold was too valuable, silver was the current money of western Europe for ten centuries. But prices rose. As far as comparison is possible, the prices of William the Conqueror are multiplied 25 to one to get the prices of the time of George III.

This process squeezed out silver as too cheap and too redundant. It set up,

in England first and then in all the commercial world, the gold standard. With this went the open mint, free coinage, and foreign payment by exchange that varied only with the almost negligible cost of shipping gold. The world owed England before the Great War some \$20,000,000,000 and the interest came in as regularly as sunrise and sunset. Gold went to and fro as *metal*. All coins looked alike. Even if you put up a tariff wall, the current of trade would flood over it, at least to the extent of differentiated cost.

This, our lost paradise. The war smashed it. Emergency paper money was as necessary to a stricken world as brandy to a stricken patient. After the war the patient kept the brandy habit.

At present all mints are closed; gold coinage ended; gold hoarding forbidden; import and export by license only.

Chancellors and treasurers sit on huge hoards of gold, hatching it for the next war.

Here then is the present situation. In spite of the cessation of the use of gold money, the production of gold continues without slackening. The gold produced is of practically no use except in the hope of its being money again some day.

The so-called industrial use of gold is next to nothing. Engineers do not want it. Neither do armies: you can't kill a man with a gold dollar. Jewelry is only "valuable" because it costs money—who would give a gold brace-



let, if it only cost ten cents, to a thousand dollar girl?

Gold, in fact, had a close shave from being "demonetized" and dropping out of the world's use, and even being exterminated after the war.

At present the gold when it is mined finds its way directly or at one remove into one or other of the vast hoards called "reserves" held by the world's banks and treasuries. The total amount mined each year (reckoning it in the familiar calculation of \$20.67 of the dollars that were, to the ounce that still is) far exceeds anything known before the twentieth century. In the early days of Spanish discovery the Pizarros and such people sent home what was called a "flood" of gold which amounted to \$4,000,000 a year. By the end of the eighteenth century the "flood" had reached \$20,000,000. There was always a "flood" and it always got bigger but the world is still not wet with it.

The Californian and Australian flood of three generations ago reached about \$150,000,000 a year. South Africa later broke all records. The flood lifted to \$200,000,000 in 1895 and, to an average of \$450,000,000 between 1900 and 1914, and now yearly, with the new Canadian gold, the output is about the same.

This is no longer "poor man's" mining with a pick and shovel and a "cradle"—whatever that is—to rock the

gold to sleep. It is all company mining with big machinery and college geologists and promoters a thousand miles away.

The economic meaning of all this mining is that there is no apparent danger of gold running out. The shortage of gold that helped to dim the Dark Ages has no terrors for us. Nor is there any apparent danger of an overplus or plethora of it. Gold production increases but so does business; and, as long as statesmen and bankers are willing to sit on it, there is no limit to how much a really big statesman can sit on. If gold ever became utterly redundant, then of course the free coinage of it would shoot prices away up: but the remedy, heavier coins, would be easy. If gold were too scarce to supply coins, lighter coins could be used; but, most likely, expanded forms of credit will keep on, as they always have, making the gold "go further."

Gold keeps step with business

IN OTHER words, fortunately for the world's business, gold seems as well suited as ever as the money basis of trade and commerce. Gold, for long centuries past, kept step in terms of prices with the progress of civilized mankind, running always a little ahead with the stimulus of rising prices. At times, as in the days of the

Tudors, the rise was too swift (two to one within a lifetime). It threw too great a strain on the existing mechanism of purchase and sale and it cheated creditors in favor of debtors, an excellent thing in moderation but not to be carried too far.

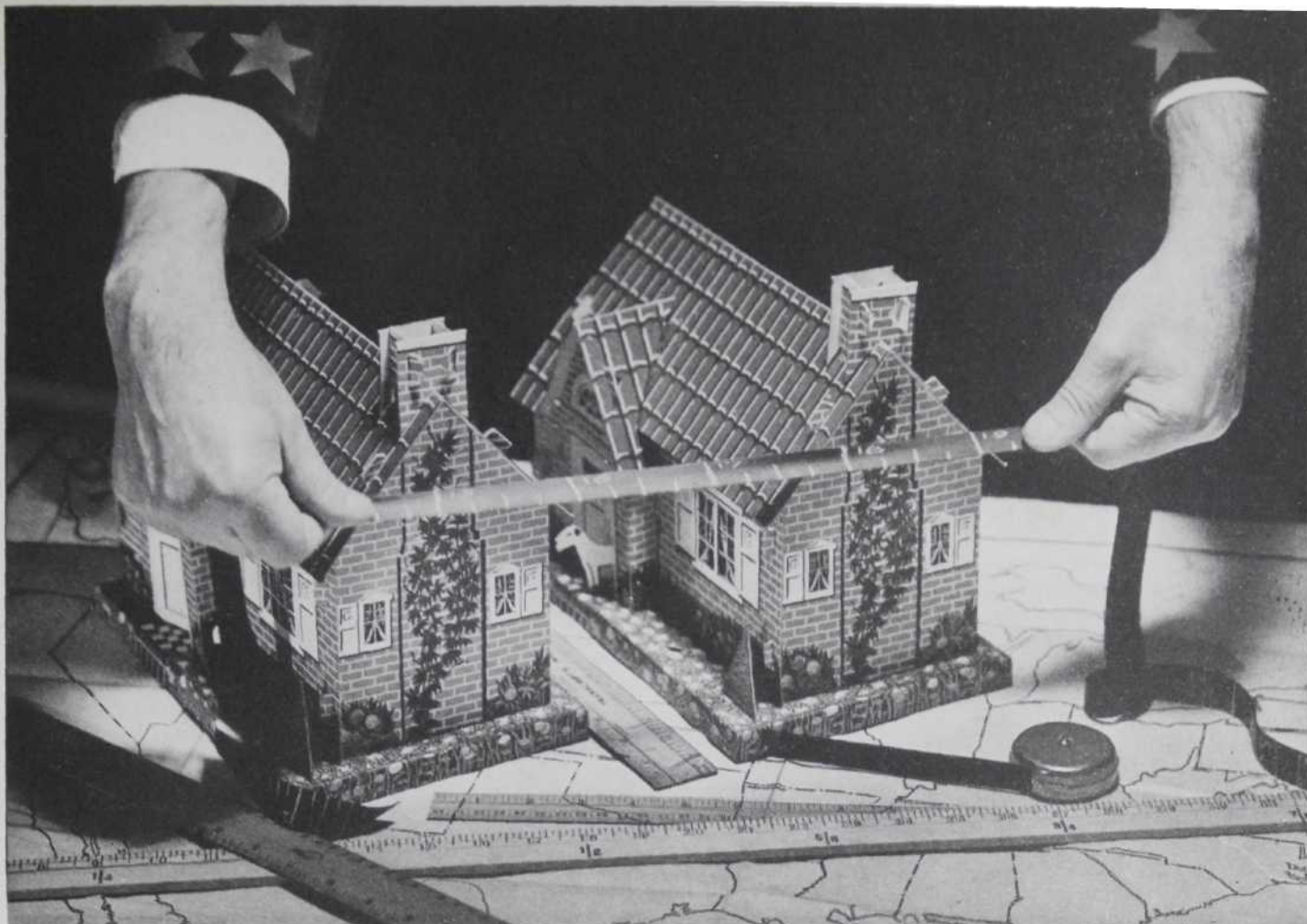
Meantime what is the effect of all this production and hoarding of gold upon prices? The answer is none at all—or none except as indirectly caused by fear or panic or uncertainty. But the straight-out economic effect of cause and consequence is not there. It is an electric circuit with the current cut; a pulley with the cord broken; a motor car out of gear. If all the mines of the world stopped production tomorrow, prices would not move one inch.

If President Roosevelt raised the price of gold in American paper dollars to \$40 an ounce, the price of wheat and the price of lumber and the wages of labor, except in gold mines, wouldn't budge. The stimulus to mining, at present costs and present taxes, is clear enough. But without gold coinage as a medium, the rise could never spread from that little area to cover the whole field. A three-quarter-inch pipe can't flood a ten-acre field. Conversely, lowering the price of gold in paper—only to be done on the principle of a government monopoly of purchase and export—would depress

(Continued on page 103)



To meet the present situation, the new medicine men get together with a set of nostrums as futile as witch doctoring in a Congo tent



GEORGE LOHR

The layman's yardstick is a yard long. The Government's yardstick is elastic

\$16,000 Homes for \$2,000 Incomes

By GEORGE MORRIS

EXAMINING the method by which the Government hopes to provide better housing for those citizens who are willing not to earn too much

A LAYMAN'S conception of a yardstick is a stick a yard long. The length is invariable whether computed by yards, feet or inches. The Government also has a yardstick, but it is elastic. Its advantage is that the article measured may be made to conform to the desired length of the yardstick.

There is the TVA yardstick for measuring consumer rates. There are numerous other yardsticks, including one for measuring the cost of home building. It is based on the theory that the comforts and luxuries, or even the essentials the individual may desire, have no relation to his responsibility for providing them. It abandons the fountain source from which the individual draws his inspiration. Its promotion involves re-

pudiation of the principle of initiative.

The Government is engaged in this more or less laudable enterprise on an impressive scale. It proclaims that a third of the people are living in homes below the standard prescribed for the more abundant life.

Some are satisfied with their condition. They are doing nothing to improve it. Others do not have sufficient means to live as well as they would like. Initiative spurs them to better their condition. Others are engaged in wishful waiting.

The Government classified them all

as submarginal. Blame for their condition was laid at the door of private industry. The Government would do something about it. Private industry was to be shown how it had failed in its responsibility to provide

every family with a comfortable home, whether it desired or could afford one. Private industry had learned nothing from 150 years' experience. The Government would teach it a lesson without experience.

The problem was approached from two directions. One was a straight-out government experiment with the Government putting up all the cash. The other was an experiment in which municipalities would risk 20 per cent of the cost.

A typical Government experiment is Greenbelt, product of the Resettle-

ment Administration, now operating under the alias of Farm Security Administration. The municipal experiment is the United States Housing Act, administered by the PWA.

Regardless of Cost

GREENBELT is the brain child of Professor Tugwell. Work began on Greenbelt more than two years ago. Perfection was not to be sacrificed by haste. When completed, it will accommodate 885 families, or approximately 2,000 of the estimated 43,000,000 ill-housed. Greenbelt had no obstacles which money could not overcome. The Government had the money or knew where to get it. Greenbelt was acclaimed a success.

Greenbelt is 12 miles from Washington. It got its name from the belt of native trees—flowering dogwood, locust, sweetgum, white oak, pin oak, red cedar, magnolia and holly—encircling the tract upon which is sit-

uated what the Government proposes to make "the prettiest town east of the Mississippi."

Greenbelt was built to accommodate families of low income—\$1,500 to \$2,000. The Government poured \$14,227,000 into the enterprise. Private industry could not be taught the needed lesson by admitting the cost was more than \$16,000 for each of the 885 units. Not even the Government could claim that families with incomes ranging from \$1,500 to \$2,000 could afford to live in \$16,000 homes.

Therefore, after the money was spent and the job complete, the next thing was to bring down the cost. It was necessary to fix the cost at an amount which would justify rentals from \$18 to \$41 a month, the maximum amount families with incomes from \$1,500 to \$2,000 could afford. Rent based on an expenditure of \$14,227,000 by private industry would average \$80 a month. In fact, 123 years would be required to amortize the

Government's investment from its rental rates. Industry being impatient for return on investment could not be expected to wait 123 years.

The situation required drastic cost reduction, but the Government was equal to the emergency. It estimated that \$4,902,000 was spent for inefficient labor, and rubbed that item out. Land upon which buildings were not erected was estimated to be worth \$643,000 and that item was eliminated from cost. Left-over materials valued at \$284,000 were deducted. With its unique system of "deducts" the cost was still too high to justify the established rentals. The first application of deductions reduced the cost only to \$9,600 a unit.

A matter of deductions

THEREUPON the Government launched upon another offensive. It deducted the cost of school buildings, business center, streets and roads, lake, playground and recreational facilities. That brought the cost per unit down to \$5,423, which is more like it. What the Government probably inadvertently teaches private industry is that, where costs are too high, the solution is not to reduce expenditures, but increase deductions. How that is to be accomplished by any agency except the Government remains one of the unexplained mysteries.

However, if the method of computing costs is too involved for the average individual to grasp, the fact is that we have it on Government authority that the cost of Greenbelt was \$5,423 a unit and that a rental of \$18 to \$41 a month will amortize the "cost" in 60 years—omitting interest and taxes. From the rentals,

the Government anticipates a gross return of \$424,000 a year. Out of this it will make payments to state and county in lieu of taxes; provide fire and police protection, maintain streets and parks and sewage and garbage collection systems.

Every three years the houses will be redecorated and have a fresh coat of paint. A reserve will be set up for replacing plumbing and heating systems, refrigerators, ranges and other equipment. When this is done, it is estimated that Greenbelt will have \$60,000 left annually, or considerably less than a return of one per cent on the investment. Tornadoes, fires, frozen water pipes, risks of the average householder, are not contemplated in the scheme of things for Greenbelt. Plumbing, refrigerators, stoves and other appliances will live their allotted lives. Houses once painted will need no paint for three years. Green-



What the Government teaches private industry is that, when costs are too high, all that is necessary is to increase deductions

belt will have no reserve for emergency expenditures because Greenbelt will have no emergencies.

The Government makes careful inquiry into the financial affairs of prospective tenants. None whose income is less than \$1,500 or more than \$2,000 will be accepted, nor any family with more than four children. The number of children in a family determines the number of rooms it can rent. What will happen to a family when the number of children exceeds the maximum, or when the rules require families to move to larger apartments, will be determined only by the appearance of the blessed event. Many underprivileged families have more than four children and some have incomes below \$1,500. Apparently these are the concern of private industry.

Promotions not wanted

BUT, first and foremost, tenants who are near the maximum income must watch their step. Enterprise and initiative might elevate them above the \$2,000 income, say to \$2,100. That would compel them to vacate a \$16,000 home and live in one they could afford. They must tread the middle course and be too indifferent to their work to get promoted but not so indifferent that they get fired. Their objective is to remain stationary through life or until the Government liberalizes the rules.

The Government has made the static existence worth striving to attain. It provides transportation for the tenant from his country estate to Washington. He is relieved of the annoyance of firing the furnace and cleaning out the ashes. He will have diversion from the vexatious problems of a busy world and, finally, a cemetery is provided by the taxpayer when he lays down his burden, such as it is.

But the federal Government cannot carry the burden alone. There is economy to think of and a budget to be balanced. If it cost the Government \$14,227,000 to house 2,000 properly, surely the Government should not be expected to contribute more than 80 per cent of the cost of housing the remainder of the estimated 43,000,000.

With that in view the Congress passed the United States Housing Act to eliminate slums and provide adequate housing for low income groups. It is strictly a local housing development. The only part the Government has in it is to approve the project and provide 80 per cent of the money.

Legislatures are expected to pass enabling acts. Municipalities, acting under the authority of state housing



Tenants must be too indifferent to their work to get promoted but not so indifferent that they get fired

commissions, may issue bonds or provide the required 20 per cent from some other source. Despite the acclaim which E. A. Foley, Jr., general counsel, says was accorded the Wagner-Steagall Act, he is constrained to add:

It will come as a shock to many to learn that, in a large number of states, there is no enabling housing legislation authorizing the local subdivisions to participate in the new program; that in several states such legislation as does exist is inadequate; and that in a few states where adequate legislation exists, full advantage has not been taken of it by the public bodies within the state.

Local cooperation is difficult

THE shock of Mr. Foley's confession is not half of it. The constitutions of many states limit the indebtedness that the states and subdivisions may incur.

The financial and tax conditions of states where the sky is the limit for indebtedness are in no condition to provide use of tax money to finance public housing projects.

The result is that a third of the states have no legislation authorizing the creation of local housing authorities. In some of the states

where some form of enabling legislation exists, the possibility of participation is definitely limited; in others, the laws are open to serious legal objections; in at least seven, no provision is made for tax exemption, and in three the law is limited in operation to one city in the state.

The only reason municipalities have not advanced for failure to take advantage of the Government's housing plan is the *real* reason. The plea of debt, poverty, taxes and lack of legislation fall into the same category. It means a community, any community, is delighted to have the Government's money for housing or any other pretext, but that the housing situation is not sufficiently acute to warrant spending 20 cents to get a dollar to remedy it. It means there isn't a housing shortage and, when there is, private capital will remedy it 100 cents on the dollar.

Most of the construction now going on is the result of the belief that, under the Government plan of financing, the purchaser pays only about half as much for a new house as it would cost to buy one of the same value already built. Yet, with a little

(Continued on page 93)

The Business Man on

By FRANK H. ALLEN

THE MAN with a gift for commerce was unappreciated even by the Pilgrim Fathers

SUCCESSFUL business men should be hardened by now to rough treatment as scapegoats for bungling political administrators. Because that was the fate of America's first big business man, Isaac Allerton.

Seventeenth century Europe itself did not know just what to do with its increasing number of successful business men. They were a new and disturbing power to threaten the medieval control exercised by the feudal lords and the Church.

Europe, in spite of its brutal wars and political mismanagement, gradually was acquiring an abundance of material wealth to make possible a higher degree of civilized living. And

those most responsible for that wealth were the business men.

Even the colonization of America was possible only because the business men of England and the Continent had accumulated enough of a surplus to finance the highly speculative settlement of the New World. Kings might covet new continents to expand the glory of their domains. Religious rebels might emigrate in search of Utopian freedom. But those who paid the bills for such ventures were the business men.

Practically nothing is known about Isaac Allerton before he showed up in Holland sometime before 1610. The Dutch records list him as a native of

London. But whether he and his parents came to the Netherlands in religious exile or merely in the course of trade, the records do not state.

It is true that, when Brewster and his followers of the Scrooby congregation fled to Holland, they found many English living there. The young Netherlands republic then was the commercial center of the world. Its prosperity, its culture, its liberal government, and the opportunities it offered, attracted to its hospitable shores many English and other foreigners besides religious exiles.

Yet the English, as has always been the case with nationals in a foreign land, tended to gravitate with their own kind. So Isaac Allerton, then about 26 years old, and Mary Norris of Newbury, England, went with their most intimate friends as sponsors to the Staathuis of Leyden, November 4, 1611, where their names were duly inscribed in the records for marriage.

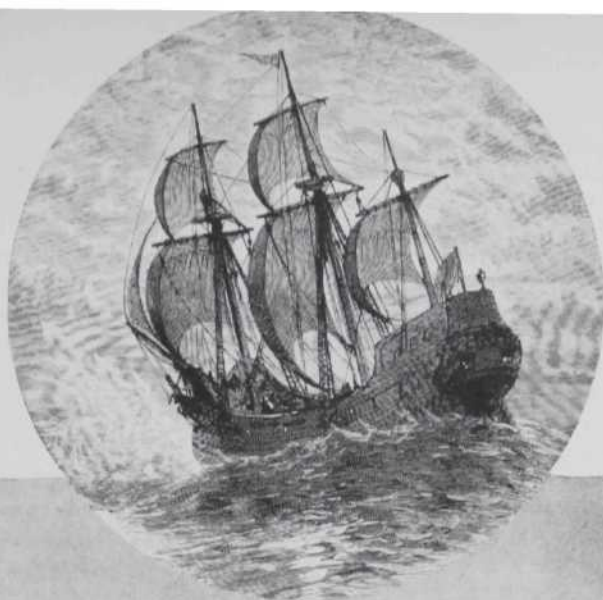


Isaac Allerton's home stood third from the far end of the row in the lower picture of Plymouth in 1622. Governor Bradford's house is inside the stockade, the fort is on the hill beyond



the Mayflower

The Mayflower at sea
as portrayed by an
early artist



CULVER SERVICE

The embarkation of the Mayflower for America has long been one of the favorite subjects for artists. Among the children making the voyage were Allerton's son and two daughters

Consequently, when Isaac Allerton set sail on the Mayflower bound for the New World, a son and two daughters (Bartholomew, Remember, and Mary) accompanied him, his wife, and one servant. The baby, Sarah, remained to be brought over later.

Everyone knows the story of the Pilgrims' distressing, storm-tossed voyage, and the desperately fatal winter which killed half their number, including Isaac's wife Mary.

Throughout this experience, Allerton acted with all the wisdom and energy at his command. When the

Mayflower arrived at Cape Cod and the earnest voyagers drew up their famous Compact in which they agreed to "covenant and combine ourselves together into a civil body politic, for our bettering and preservation," the first five to sign were Carver, Bradford, Winslow, Brewster, and Allerton.

Just what occupation Isaac Allerton had pursued in Holland remains in doubt. Some have referred to him as a tailor. And in those days of velvet, silk, and satin for men, the tailor's position ranked high among tradesmen. But more probably, from all indications,

Allerton in the Old World already had established himself as a successful merchant-trader in many lines. He, along with his brother-in-law, Degory Priest, was one of the only three Pilgrims upon whom the city of Leyden conferred the honor of citizenship.

He was referred to by his contemporaries as a highly educated man; but whether he attended Cambridge in England or one of the Dutch universities we do not know. We do know that his name always was prefixed by the significant title "Mister" which in his lifetime was reserved exclusively

to "gentlemen" in a class-stratified society.

In America the struggling colonists heaped many responsibilities upon the shoulders of Isaac Allerton. Throughout that awful first winter, when the sick and hungry Pilgrims huddled wretchedly in one partly-roofed cabin, he ably performed his share of the daily drudgery and vigilance for survival.

The frightened English did not know at what moment the hostile Indians might swoop down upon their helpless party to murder every man, woman, and child. Something had to be done to break the suspense. And so "Captain Standish and Mr. Allerton went venturously to visit King Massasoit, and were received by him after his manner. He gave them three or four ground-nuts and some tobacco." The treaty of peace which resulted was maintained for half a century.

When the colonists elected William Bradford governor after the death of Governor Carver in April, 1621, they elected, as assistant governor, Isaac Allerton.

In September he explored the sur-

rounding country with a party of ten. In the years to follow, two landmarks in this vicinity bore his name: Point Allerton at Nantasket, and Allerton Hill in the town of Hull.

For five years he remained a widower. Then, in 1626, he married Elder William Brewster's daughter, who had been inflicted, as were so many Puritan children, with the fantastic baptismal name Fear. She died eight years later. But, through Fear's son, Isaac, the Allerton family name has been preserved in this country.

Finances bothered colonists

FINANCIAL trouble always plagued the Plymouth settlement. The original Adventurers in England who had advanced the money for the colony as a speculation clamored for profits. Instead of profits, however, there seemed

to be nothing but expense and more expense.

When the colonists sent their professional soldier, Capt. Miles Standish, to England in 1625 in hopes that he might placate their creditors and raise much needed capital for supplies, he failed miserably with little to show for his voyage but a loan of 150 pounds at the staggering interest of 50 per cent.

Allerton, who diligently had been making the best of his own opportunities in the New World, consented to go to London in 1626 and try his more experienced hand in rescuing them from their financial entanglements. Even Bradford, in spite of his incipient personal bias, urged his acceptance of the mission as "being well qualified by education and experience and having the confidence of the Merchants of London."

(Continued on page 100)

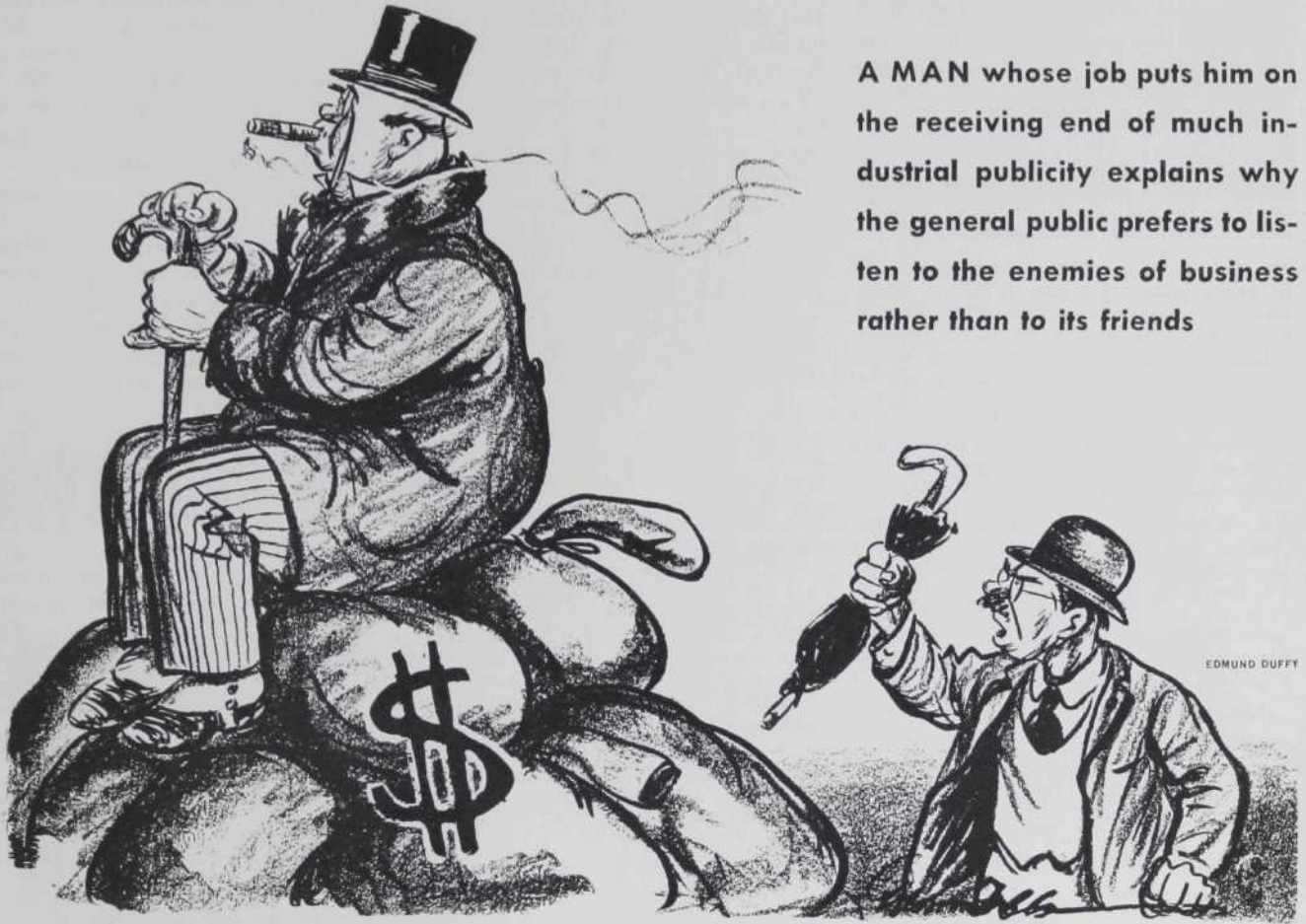
The revels at Merry Mount shocked the stern Pilgrims. Allerton was less concerned

Indian raids were among the many dangers of early days. Allerton helped draw up a truce



Business Must "Sell" Itself

By HOWARD WOOD



... A portly and self-satisfied oldster in silk hat sitting on money bags

ONE of the strangest things about modern business is that, while it has been developing the most efficient and effective system the world has ever known for selling its products, it has almost completely ignored the equally important job of selling itself.

It has taken four years of anti-big business legislation and two years of serious labor troubles to get most corporation managements even to realize that the problem of public relations exists and it will take more years of disappointing and discouraging experiences to teach them what to do about it.

Despite the sporadic attempts of individual companies to tell the story of American industry, the masses still regard big business with distrust and their mental picture of an industrialist is that of a portly and self-satisfied oldster in a silk hat and tails sitting on a pile of money bags.

Most stockholders have a fair general idea of the functions of corporations in the American economic setup, but the ordinary voter has little con-

ception of the way business has contributed to the advancement of the American standard of living nor does he realize the importance to his own welfare of preserving the profit and loss system and protecting it against the onslaughts of those who, having nothing to lose and everything to gain, would readily change it to further their personal or political ambitions.

Propaganda against business

DURING the past few years, while business has been buffeted about by politicians and labor agitators, while it is seemingly unable to find a way to tell its side of the story to the public in an articulate and convincing manner, the forces opposed to business have been developing the most effective propaganda machines the country has ever seen.

Washington teems with the largest army of press agents ever gathered together in one city and throughout the country almost every politician of

A MAN whose job puts him on the receiving end of much industrial publicity explains why the general public prefers to listen to the enemies of business rather than to its friends

any importance has his publicity counselor. In the labor camps you find a press agent wherever you find a labor leader.

What is the result of this one-sided battle of printed and spoken words? Here is one example:

At the last annual convention of the Financial Advertisers Association, held in Syracuse in September, Dr. H. W. Hepner of Syracuse University brought the delegates bolt upright in their seats with his presentation of the results of a survey of the attitude of ordinary citizens toward banks and bankers.

Dr. Hepner and his associates in August had approached 100 adults of Syracuse with this introduction:

I am going to ask you to think of two words. Will you kindly tell me or write for me any and all ideas or thoughts that occur to you when you think of these two words. Do not bother about trying to arrange your thoughts—just say whatever you happen to think about. The two words are "banks" and "bankers."

The results, although astonishing

to the advertising representatives of banks present at the convention, were not particularly surprising to anyone who has been in touch with the trend of public opinion.

Dr. Hepner classified the answers into three general groups: favorable to bankers, unfavorable, and mixed. Despite the fact that half of the individuals interviewed were college students, only 54 per cent of the answers were favorable to banks and bankers.

Here are a few of the answers:

1. Banker—big, fat, large limousine, ardent golfer, large mansion and several country homes, many butlers and servants, intelligent and dignified looking.

2. I think of capitalists and the futility of being poor whenever I pass a bank. Bankers to me always ride in Packards, are influential, and a bit unscrupulous. Bankers have an easy job, good hours. The heaviness of the doors and the massive fortifications remind me of a jail. I think of bankers as being a bit "sporty," sensuous, even illicit, at times. During the time of the bank failures, my faith in them was at a minimum.

3. Whenever I hear the expression, "banks and bankers," I at once think of the good old days when we used to get 4½ per cent and four per cent interest. It was a real pleasure then to save your pennies and watch the dollars grow. However, what fun is it now to save my pennies?

What an opportunity for public education.

This ignorance on the part of the public applies not only to banks but to all sorts of industrial enterprises.

As the public views business

EARLY in 1937, the National Association of Manufacturers conducted two surveys to determine what the public thinks about big business. In the first, the actual research was done by an independent organization which reported the results of thousands of personal interviews throughout the country. In the second, the association itself tried sampling public opinion by sending questionnaires to newspaper editors and publishers.

The Association's published report on the results indicates the ineffectiveness of past attempts by corporations to mold public opinion:

First, the replies reveal that the majority of the public knows little of the progressive accomplishments of industry. More than twice as many people hold an unfavorable viewpoint as hold a favorable one, in the opinion of newspaper editors.

Second, and in seeming contradiction, is the fact that the same people who have an adverse opinion of industry generally have a much more favorable opinion of that segment in their own community with which they are familiar.

Dealing with abstractions—forming opinion on an emotional basis—the public is critical of industry. But when ques-

tions were put on a person-to-person basis and related to the individual's actual experience with business, the judgment was much more favorable and fair.

Despite the fact that employment in manufacturing industries at the time the surveys were made was near or above the 1929 level, nearly half of the individuals interviewed expressed the opinion that industry had been lax in reducing unemployment.

More than three-quarters of the persons questioned said that industry had failed in its social and economic responsibilities. Practically all of them said they did not believe that economic conditions could be improved by increasing production. Factory workers were not as strongly of the opinion that industrial profits were too high as were students, professional men and salaried workers.

Two similar surveys conducted among groups of graduate instructors at Columbia University's Teacher's College give an interesting slant on the attitude toward big business among those who teach the young.

In 1922, 66 per cent of the graduate instructors whose opinions were sought believed that the power of big fortunes in this country endangered democracy. In 1934, 86 per cent thought so. In 1922, only eight per cent said that the forces of education

(Continued on page 88)



Publicity men bury news departments in a deluge of plugs for company products

Leaders in the March of Business



W. H. Gerhauser, Mrs. Irvin, W. A. Irvin, A. F. Harvey



Charles Beach Nolte

A. F. HARVEY, president of the Pittsburgh Steamship Company, watches the launching of his company's new Great Lakes ore carrier, named for William A. Irvin, retiring president of U. S. Steel, while Mrs. Irvin, the sponsor, received bouquet from W. H. Gerhauser, president of the American Shipbuilding Company, builders of the boat. This vessel is the first big carrier launched for Great Lakes service since 1930.

Charles Beach Nolte, 52, president and director of Crane Company, Chicago, who has announced that his company has formed a division of research and engineering to further its progress in diversified fields. The director of the new division is L. W. Wallace who left his post with the Association of American Railroads.

W. H. Lowe, of the Paraffine Companies, Inc., California manufacturer of paint, roofing, floorcovering and other products, ended his first year as president of the organization with a record for handling a difficult labor situation that brought congratulations from labor leaders, industrialists and public officials.

Frank W. Lovejoy, president, Eastman Kodak Company, which has announced the largest wage dividend in the history of the company. Payable March 1, it will amount to approximately



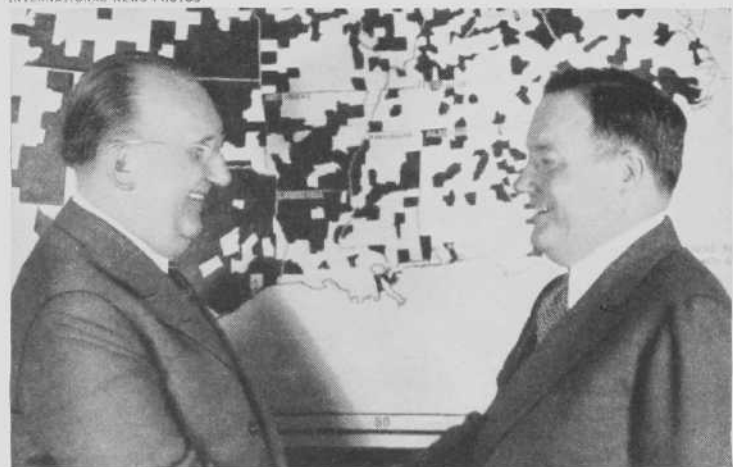
W. H. Lowe

PABCO PRESS



Frank W. Lovejoy

INTERNATIONAL NEWS PHOTOS



Merrill N. Davis, N. C. McGowen

\$3,555,000 and will exceed the 1937 wage dividend by about \$1,430,000. The total of wage dividends since 1912 will exceed \$40,000,000.

N. C. McGowen, president, American Gas Association and president of the United Gas Public Service Co. of Houston, and Merrill N. Davis, president, Association of Gas Appliance and Equipment Manufacturers, talk over their industry's campaign for equipment of new homes and modernization of old ones. Model homes will be outfitted with gas appliances.

The Coast Guard,

By HERBERT COREY

THERE is no way of telling just how much the Coast Guard means to the housewife in Casper, Wyo., but it is probably plenty

I THINK I'd like Pilot S. C. Linholm a lot better if he had more movie blood in him. He doesn't get excited enough. I've gotten used to glamorous heroes who wave their hats and let the doubles ride the horses. Linholm could have written a far more dramatic report to the Coast Guard:

Plane landed outside surf in heavy ground swell and strong current. Taxied plane around toward beach and turned through surf and headed in wind and sea and approached capsized boat—

And took off two exhausted boys and returned them to their homes at Mission Beach, Cal. Mr. Linholm notes that the sea was so rough that he could not get into the air and had to taxi nine miles into the lee of Point Loma and that during this traverse one of the boys, having been filled with sea-water while the boat wallowed just outside the line of breakers, became ill in the cockpit of the plane. He does not complain of this fact. Merely notes it in passing. A good scenario writer could have done wonders with that synopsis.

If any plane ever before went into the surf to save lives the fact does not appear in my daybook.

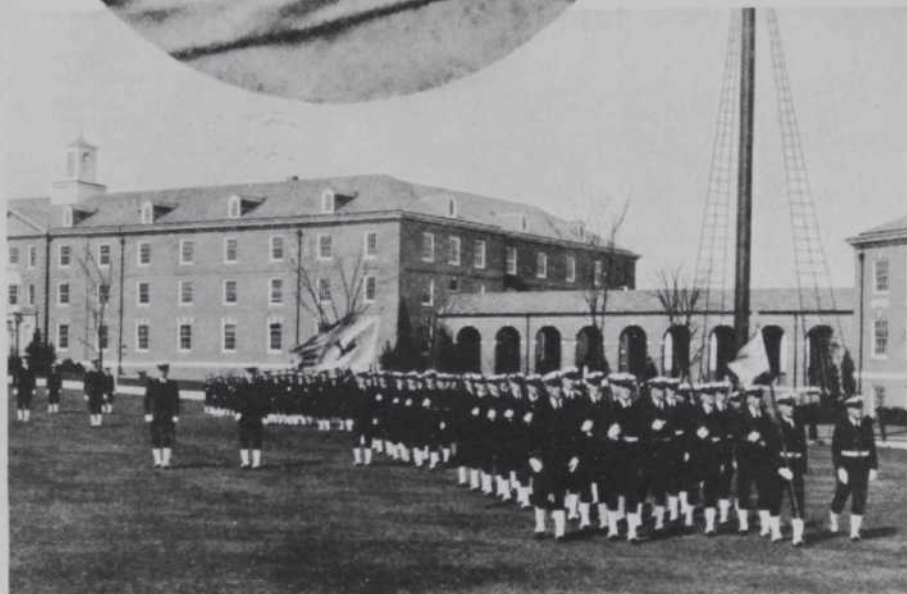
Reports made tersely

THAT same economy of emotion is noted in the reports of the Coast Guardsmen who helped out when the Ohio and Mississippi rivers blew out their gaskets. Almost 1,900 Coast Guardsmen were snatched away from their oceans and lakes, put into 351 Coast Guard boats and told to get busy saving lives.

The statistics will be given later. For the moment attention will be centered on certain eccentricities of the flood story as told by the Coast Guard. One guardsman reports:

"Saved one rooster."

Any old farmer—and I'm an old farmer—can use his imagination and smell that rooster's wet feathers and note the leaden hopelessness of that rooster's eye. Another guardsman observed briefly:



ALL PHOTOS COURTESY U. S. C. G.

The Coast Guardsman above is looking for icebergs. Below, future officers of the service parade at the Academy at New London



Preparing to sink a derelict, one of the most deadly menaces of the sea. The Coast Guard destroyed 230 of these things in the past fiscal year

a Business Man's Navy

"Took Newfoundland dog off barn roof."

Hundreds of dogs were saved, of course, but there must have been a personality about that dog that won for him this identification as a Newfoundland. There were mysteries in the flood story that were passed without comment:

Found eight women in cardboard cartons in truck trying to enter prohibited area. Cartons were addressed to Red Cross.

There are eight heroic nurses for you. Or were they nurses? And how large were the cartons? And were the girls comfortable? And what happened to them, and what was the little tale the truck-man told, and why did they try to get into a prohibited area? The Coast Guard reporters leave one up in the air. As a tail-piece to the untold story they note that:

"One woman was found in a trunk."

All this is bait, because I want the readers of NATION'S BUSINESS to pay attention to this article. The Coast Guard is the business man's navy. It goes to war when it is called on—but its job is to save lives and property and enforce the law.

The United States Navy is a fighting organization, pure and not at all simple, which exists for the single reason that



A cutter on the International Ice patrol keeps watch over an errant berg. There has not been a major disaster from this cause since 1914



Rushing sick or injured from ships at sea to shore hospitals is a routine job for the pilots in the service



Survivor from a disabled vessel rides to safety in a breeches buoy

some day it may be called on to go to war. Now and then it ferries American business men and their families out of spots which have suddenly grown dangerous. Between times it aims its big guns and keeps its waistline down. The Coast Guard works. There is no way of tell-



A few of the Coast Guard boats that were rushed inland for rescue work in the floods of 1936

ing just how much the Coast Guard means in annual dollars and cents to a housewife in Casper, Wyo., but there is a meaning.

"Towed *Manukai* 750 miles to 135 miles west of San Francisco lightship" is the exciting part of the report made by the Coast Guard Cutter, *Itasca*. But it does not tell the whole story.

The *Manukai* was valued at \$500,000 and she had on board sugar and pineapples worth \$1,200,000 when her rudder broke. The *Itasca* towed her near enough land to be able to turn her over to a commercial tug, which is the Coast Guard rule. The C. G. never gets in a business man's way if it can be prevented. At the same time three other big vessels on the Pacific were being towed to safe harbors or the beneficent ministrations of tugboats. No one can possibly say what loss might have resulted to the business men of America if the four had not been helped. The only thing that can be said is that:

In 1937 the value of vessels assisted, including cargoes, was \$98,004,465.

There were 37,591 persons on board the assisted vessels, and 5,930 cases of "miscellaneous assistance."

Of these, 7,631 were classified in the

report as "lives saved or persons rescued from peril."

Back of all that are the rescues that never happen. A floating derelict is the deadliest thing known to sea science. If a steamer helling along through a black night crashes into a hulk lying just awash, solid as a stone barn, that steamer may crumple into the shape of an accordion. The Coast Guard got rid of 230 of these devilish things in the past fiscal year and no rescues were recorded, but rescues might have been badly needed if the derelicts had not been sunk.

Joy riders on the water

THEN there are the floating nuisances who go to the waters with a load of gin and girls. The Coast Guard puts the love of the law into them and better behaved citizens are spared horrid spectacles. Even a good looking girl loses her sex appeal when she is being decanted over a barrel. This cannot be classed as rescue work, certainly, but it is a part of the Coast Guard's job. Pilots of steamboats plying in sheltered waters spend half their time in states of fluid profanity because of loose-wit-

ted mongrels who like to neck by moonlight in small boats bobbing in the channel. There would be more if it were not for the C. G.

"Just a body of everyday working men," the Coast Guardsmen will tell you. Merely going down to the sea in ships to protect lives and property and enforce the laws. No romance, glamour, charm or idyllic force about them. They obtain their effects by sticking to business. The catch in that is that almost any kind of business is their business.

Almost 300 whalers were once marooned in midwinter on the Alaskan coast. They were in hand-shaking reach of starvation and scurvy when a Coast Guardsman appeared with 400 reindeer he had driven something like 900 miles through blizzards which time after time made the native guides fold up.

Before he could reach the reindeer herd to start them on their winter trail, Lieutenant Jarvis had mushed 400 miles with dogs. The winter drive made the recent four-year, 1,400 mile trek of a Lomen herd in Alaska look like a bright day at Coney Island. But some one wrote a book about the Lomen doings.

(Continued on page 94)



The Coast Guard boat plows through the ice to keep navigation open or assist craft that have been frozen in

Dropped from planes overhead, these blocks warn small craft to get out of danger

The New Trade Association

By LUTHER K. BELL

NEW ideals, new aims, a new type of leadership must be among the tools which organized business uses to solve the problems of the future

IN THE INTERVIEW, "We Need One Big Union for Business" (August issue), I said that the preservation of free enterprise calls for a type of action that requires far greater unity among business interests than we have yet achieved.

As I see it, this unity is to be accomplished in two ways:

First, through the New Trade Association—the old industry organization overhauled and rebuilt.

Second, through a closer integration of the trade associations, on the basis of principles, for objectives that severally they could not hope to achieve.

In this country, where associations constitute so important a part of our social, religious, political and business life, it is no disparagement of motive to say that an individual joins any group for what he may be able to get out of it.

There is nothing wrong about joining an association to get new business, if that is an ultimate, not the immediate object. But joining to retain old business has caused more disillusion and done more to defeat the high purposes of trade associations than any other cause. From this misconception of the association's primary purpose has arisen all that chain of economic abortions that follow the theory of "Protection" in its various forms.

The old price-fixing obsession has been at the root of more trade associ-

ation troubles than any other fallacy. Such attempted agreements inevitably collapse, either through illegality or the mendacity of members, and many an otherwise promising group effort has gone down in their wreckage.

Still the delusion persists. In some industries it appears for a time to work, through open pricing and through the allocation of productive "rights" on the basis of the status fixed at the time the agreements were executed. But, so far as I am aware, those committed to this ancient doctrine of scarcity have not considered the effect on other basic problems, particularly those of a social nature. While solving one problem, they are creating another.

Panaceas in business planning

IT IS in meditating these facts that one begins to taste of the Dead Sea fruit offered to business by those who conceived the NRA. In retrospect it is not to be wondered at that a measure which promised temporary relief to business in return for a surrender of constitutional rights should have been met with hosannas. The Planned Economy pill was swallowed because it was coated with two fallacies that



Prices jacked up by subsidies and preferential legislation cannot save an industry

have been active in conscious business thought and are still latent in spite of the devastating experience with NRA. They are:

1. That some magical economic formula or feat of leadership can lift a business group higher than the level of individual thinking within that group.
2. That, if only some power, governmental or other, would relieve their group from the rigors of competition, most other problems would disappear.

Leadership prescribed by formula depends on personality. Application of such leadership leads to personal dictatorship of the mass and the consequent suppression of individual liberty. Because competition centers principally on volume of output and price, the inevitable conclusion resulting from an imposed or political leadership formula is that price-fixing and production restrictions will insure prosperity to a particular group, irrespective of what may happen to another.

With these two venerable fallacies the NRA mixed a third ingredient:

That economic and social ills can be healed by wages arbitrarily fixed at suc-

cessively higher levels, regardless of whether or not business can stand the dose.

Strange that so many enterprisers do not see that this last delusion cannot be neutralized by their own attempts to jack up prices artificially or to obtain "protection" for themselves through subsidies and preferential legislation.

These misconceptions as to what an association can and cannot do for its members arise from a failure to recognize that their industry's needs are bound up with the entire economic and social structure. A purely selfish view narrows the scope too much to include those things that are permanently desirable.

While generous motives, in one form or another, are always present, it is reasonable to assume that most things which trade association members do spring from the desire to make more profits—which is really the reason for business.

Failing in this, they may compromise on the aim to make a reasonable profit or, in times of stress such as the past few years, to be able to stay in business. In the latter stage, the more thoughtful reach a state when they are willing to renounce immediate self-interest to assure self-preservation.

Encouraging correct policies

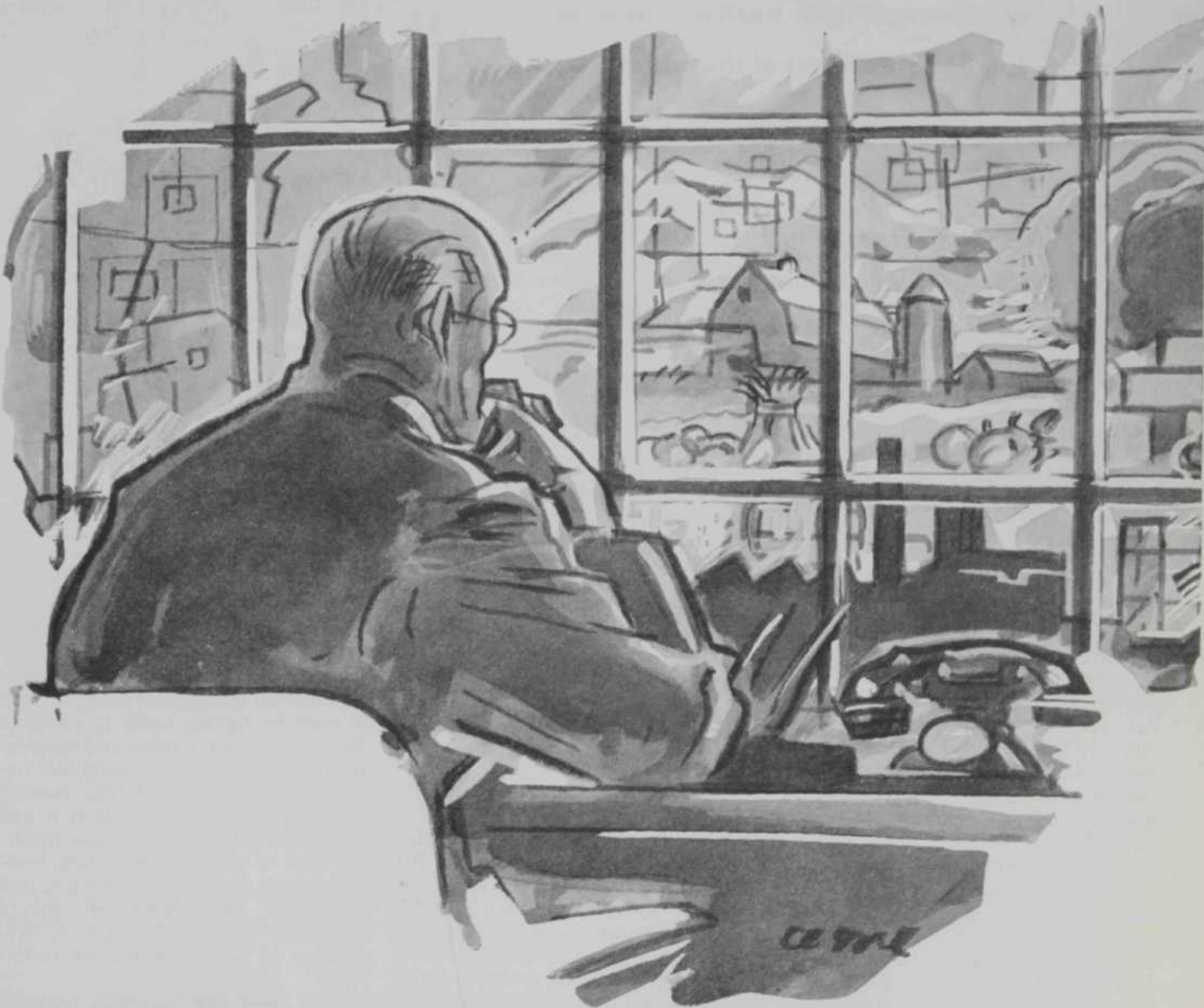
IT IS then that they see their association less as something to protect the members against themselves than as an agency to promote their common interest against outside influence. Finally has been evolved a still higher conception in which the association's reason for being is not primarily even the members' collective interests, right or wrong, but the encouragement of correct policies compatible at all times with the public interest—hence, in the long perspective, with the industry's well-being. In the three

steps, then, policy is evolving from

1. Individual interest—the "protection" stage; through
2. Industry interest—the stage of a united front against other industries, labor and government; to
3. Public interest—the stage of policy having enlightened regard for the whole complex economy.

The key to the trend among our most promising associations today is to be found in their progress through the second stage and into the third. They are outgrowing the first and shedding it as an illusion. The methods by which this change is being effected are astonishingly simple. Put in the form of a typical agenda they may be summarized thus:

1. Collect the industry's vital statistics.
2. Interpret and disseminate them for:
 - a. Production costs.
 - b. Markets.
3. Supply competent assistance on costing.
4. Make technical interchange possible.



The successful leader today is no Napoleon of Commerce. Neither is he a political fixer with supposedly valuable contacts. The new leadership is of ideas, not persons

5. Consolidate sales promotion, domestic and foreign.
6. Progressively apply the best thought on all social aspects, including labor.
7. Serve as a mouthpiece to the public.
8. As an association, strive for such co-ordination or integration with other trade associations as will evolve a practical method of concerted action on basic economic and social principles.

Members are being inspired to see that the basis of all organized effort is fact-finding. Given the facts about labor, production, distribution and com-

itors as being possible. The present situation is such that this is now a major service he expects from his association. A well defined labor policy, then, is one of the imperative functions of the new association.

I have left to the last the most vital aspect of the new trade association—its leadership. The successful leader today is no Napoleon of Commerce. Neither is he a political "fixer" with supposedly valuable "contacts."

He knows that he can do no more

turns first to the interests of the industry as a whole rather than to his own investment; and one who has the time, inclination and ability to make himself an economic authority and to see that the policies of the association are promptly executed.

There have been—and are—such associations and such non-paid association chief executives. But, human nature being what it is, and with competitive factors daily growing more disturbing, such an ideal, in my opin-



petition, given the same patient, sincere thought applied within a successful corporation, the solution of problems is not far behind.

In the past, associations have been little concerned with labor relations because the members themselves paid small attention to the subject. Relatively few employers have had anything deserving the name of labor policy. Industrial relations committees generally have been inactive for the natural reason that the employer who dislikes outside labor interference rarely thinks of help from his compet-

than carry out the common purposes and desires of the group. He executes policies, but, however strong his executive capacity may be, he can do nothing unless he has behind him a collective will. The new leadership is of ideas, not persons.

The ideal trade association is one which has as its president an outstanding executive connected with a member enterprise—one whose success is acknowledged; whose integrity is above suspicion; whose viewpoint is so unselfish that, in his thinking on general problems, he instinctively

ion, is becoming increasingly impractical.

Here enters a new concept of trade association effort as much larger and as much more influential than the old as the great business units of today are vaster and more powerful than those of 40 years ago—it is industry management in the truest and wisest sense; it is the job of paid association executive.

The old concept of trade association secretary no longer satisfies. Consequently, the job of secretary as a

(Continued on page 90)



FRANKLIN R. HOADLEY, President
National Founders Association

"Public opinion must be based on truth. It is the job of management to lay the true facts before all of the people. This does not mean propaganda, it means the dissemination of news of accomplishments of which industry can be proud. If this job is done effectively the vast majority will be able to meet with straightforward answers the hue and cry of those who attempt to lead into fog and ultimate disaster."

Business Men Say . . .



INTERNATIONAL NEWS PHOTOS

W. F. GEPHART, Vice President (right)
First National Bank in St. Louis with **P. W. LITCHFIELD** and **GEORGE H. DAVIS**

"If we are to find markets abroad there is just one way we can do it and that is by being willing to buy goods from other nations. . . . Another reason for a more liberal commercial policy is that trade restrictions have almost always led to wars. . . . If the social waste of expenditures for armaments is to be checked; if this fear of insecurity is to be removed; if the people of all nations are to engage in peaceful industry and the production of wealth, there must be revision in commercial policies."



UNDERWOOD & UNDERWOOD

THOMAS JEFFERSON COOLIDGE, Vice President
First National Bank of Boston, former Under Secretary of the Treasury

"I refuse to admit that we, as a people, are prepared to turn over to Washington bureaus control over our individual welfare. I am convinced that such a policy is destructive of self-government, and is contrary to the welfare and happiness of the people. If we agree that we desire to retain self-government by the people, then we must necessarily agree that the state and local governments are capable of caring for their citizens and the property of their citizens. . . . My suggestion is that the Federal Government give up the direction of all this welfare work having to do with the individual, and turn the full responsibility back to the states and local governments."

RALPH BUDD, President
Chicago, Burlington & Quincy Railroad

"Diesels were chosen for these difficult schedules partly because they can make the fast time without running at excessive speeds. They do not have to stop for fuel, water, and other attention. One of these trains on a 1,000 mile run stands still for servicing en route, about 40 minutes less than a conventional train. . . . They weigh much less and are easy on the track. The first cost of the Diesel is more than that of a steam locomotive, but it seems conservative to say that one Diesel can make as many service miles as two steam locomotives. . . . The use of Diesels in switch service may be termed a 'natural'. . . . They work continuously and take water and fuel only once in four days. . . . In the class of road freight locomotives there is no actual experience with Diesels to relate."



INTERNATIONAL NEWS PHOTOS

Ralph Budd

Washington and Your Business

By HERBERT COREY

Things That Go "Boomp" at Night

GUESSES on what Congress will do in the regular session are quoted at a dime a dozen and no sales. Too many unpredictable factors are involved. If the people "back home" take pen in hand, as they did during the fight against the Supreme Court bill, anything may happen. But here is a guess that might be watched because of the identity of the guesser:

Congress will spend a good part of its time in amending some of the legislation it enacted while the password was "whoops." It will do a lot of stalling. Those opposed to the more radical measures will stall rather than come out where they can be shot at. Radical members will stall rather than openly oppose some of the measures proposed to aid business, in the hope that there will be a business revival and the aid will not be needed.

There will be no enthusiastic rush toward economy, he says. But Congress has been frightened by the business recession. Back home things are going "boomp" at night.

Information from the Coat Tails

THE prophet quoted is a senator who was recently classified as "a coat tail sitter." His aim in life is to be reelected to the Senate when the time comes and he says so to his intimates. He has supported all of the important measures of the New Deal:

"My people wanted them."

What he would like to do is to vote a lot more spending money to his state and at the same time lower taxes so that business can get under way again.

He can hear a popular trend farther than a coon dog on a clear night.

New Lines for An Old Story

an expert of the U. S. Tariff Commission has given it a practical twist:

We are trying to work out reciprocal trade agreements with other nations. The last thing we want to do is to injure American business. If we—meaning the Commission's experts—are wrong in our figures we are the immediate losers, for if we are incompetent we would lose our jobs. Do we get any help from business?

He answered himself with a qualified negative.

"Business would like to help, but it doesn't seem to know how."

Two Men Better Than a Squad

IF AN interested industry—and every industry is interested—would send two men to meet with the Commission's experts instead of a committee, complete with lawyers and bell-ringers, the industry would fare better, he said:

The two men must know their business, have the facts at their tongues' ends, talk straight, and be reasonable. It isn't necessary to hire a suite in a hotel and sit up all night in a cloud of tobacco smoke.

This is not theory, he said. It has been proven time after time. In two days the Commission's experts can get the whole truth about any industry from two men who

know the business, for the experts have books full of facts at hand. About 300 men are at work for the Commission, and the other government departments are cooperating freely.

"We have nothing to do with the policy," he emphasized. "All we touch is the fact. If an industry can show us that it will be injured by a proposed agreement, that fact will be made clear to Congress when the hearings are called."

Easy Money If You Know How

THE expert bore down hard that only facts are taken over the Tariff Commission counter.

When the trade agreement is all wrapped up in Cellophane and sent to Congress something else happens:

If I were the head of an industry, I would then pick out a 200-pound lawyer who is accustomed to wearing four-and-one-half-dollar ties and send him before the congressional committee. He should be very full of words and gestures.

Sometimes a lawyer can get away with it by doing what the movies call a dummy act. The expert said he knows one lawyer who knew nothing whatever about the industry except what a clerk had been able to tell him before the committee session began.

He frowned silently at the committee all of one day, took the train back to New York, and got what the racketeers call five grand for doing it. He had not opened his mouth.

Acid Dropping On the R.E.A.

SUSPICIONS have been voiced that the Rural Electrification Administration's plan to provide every farmer with an electric milking machine and a 40-watt lamp, even if he has neither a cow nor a book, is running into the acturaries:

"The scheme," said a senator who has been prowling the R.E.A. premises, "would get the vote of the seraphim but is likely to drive a taxpayer mad."

He told of one southwestern cooperative which reported that it had not been able to pay anything on the debt it owed the municipality from which it buys its power:

We were barely able to discharge our debt to the federal Government.

In Next Bout, Ideals vs. Facts

KID Ideals vs. Cold Facts will be the antagonists in the R.E.A. bout. Morris L. Cooke was the first R.E. Administrator. He was a critic of the utilities and almost as far out on the Progressive limb as Senator Norris himself, but he is also a competent engineer. When he refused to spend government money to extend lines to remote communities which could never pay the cost he lost his job. R.E.A. Chief Carmody, who succeeded Cooke, has operated on the theory that the money is in hand to be spent over the widest area possible. Some of the R.E.A. co-ops built such faulty lines that they have interfered with farm telephone service and nowadays a telephone is to a farm what gas is to a motor. The telephone using farmers have won decisions against the co-ops in several states. Recently Carmody refused a \$330,000 loan to a co-op because the municipal plant at Brady City, Texas, has doubled its

rates. Brady City says it cannot afford to sell current at the hallelujah prices.

Out-smarted by the Whalers

in price with a good Burgundy.

The protected American industry is regretfully informed, however, that no tariff is being paid.

Norwegians do all whaling that is done. Americans will not touch an industry filled with grease and stench. Their vessels are at least ostensibly owned by Americans. They fly the American flag. They are met off the American coast by American tankers, flying the American flag, which bring them fuel oil and take off their whale oil. As the tankers have not touched anything but an American bottom or visited anything but an American port the oil is an American product and not to be taxed. No one has figured out a way to do anything about it.

Voice from the Coffee Coast

We tried to control coffee. We failed. Now we have a "corporative state" because we have such a sour taste in our mouths. You are trying to control crops. You will learn your lesson, too.

Common Sense in Two Paragraphs

He planned to set up a reserve so that he could keep his shop running during a lean year:

"Ran up against this iniquitous tax on undistributed profits."

So he raised the pay of his men. Then he made that raise retroactive for the year. It was either give to his men or to the Government and he preferred his men.

Holed up Like Gray Badgers

It is holing up like a badger and will wait until the winter passes. An American business man who did not learn after 1929 how to make his business safe is no business man.

Backlogs Going Down the River

Steel has been thinking that as long as it had a huge "backlog" it was as healthy as a bull calf. Fact is that the backlog was sometimes made up of non-productive business. An investigation shows that 80 per cent of the customers of some companies produced no profit. Only the 20 per cent—the heavy goods buyers—paid the dividends.

A tremendous change is in progress, said the insider. In methods, goods, and men. The older men in steel fought their way up. Now the younger men are to be given the same chance. The backlog may look like a marshmallow but steel is in a better condition than it has been in years.

Shirt Sleeves Replace Spats

Grandfather built it. He worked with his hands. Father kept it going. He knew how to buy and sell and keep books. Son went to college, had a swell time, came out with an ism and an accent, and a

COLLECTORS of legal curiosa are invited to inspect the whale-oil situation. To protect an American industry a tariff was put on whale oil which, if paid, would make it rank

A MAN who knows as much about conditions in Brazil as any man in this country said:

We tried to control coffee. We failed. Now we have a "corporative state" because we have such a sour taste in our mouths. You are trying to control crops. You will learn your lesson, too.

FIRST good sense paragraph. In 1929, the hero was \$125,000 in the red. He fought his way back to the black. Today he has his business without a penny of debt against it.

SECOND good sense paragraph. The same man says he is not afraid that another depression is coming:

Business has been hit by some silly laws. But business is essentially sound. It is holing up like a badger and will wait until the winter passes. An American business man who did not learn after 1929 how to make his business safe is no business man.

AN insider says the backlog, of which so much has been heard in the steel business, has been cut loose. Forgotten. It is drifting down the river:

NOT for the world would I name the industry, but one of the acknowledged experts on trade said:

Grandfather built it. He worked with his hands. Father kept it going. He knew how to buy and sell and keep books. Son went to college, had a swell time, came out with an ism and an accent, and a

mild hankering for art, beauty, and aniseed chasing. The industry began to slip. It was saved for a time by moving to another part of the country, but it began to slip again. Now it is on the up-grade. Non-productive sons and grandsons are being sifted out, spats are being swapped for rubber boots, and the guy in the mill gets a hearing when he has an idea.

There was a time, he said, when the Japanese had better machines than this industry had. Yet they had merely improved on our own. This is being corrected.

Cheap Enough, But not Enough

to the job now being handled by J. Edgar Hoover, chief of the G-men. Mr. Hoover's emotions are probably somewhat mixed. He has always recognized the dangers inherent in an expansion of his perfectly working Bureau of Investigation. Not the least is that the job of Fuehrer would then become even more attractive to the politicians than it is now. P. M. G. Farley has never made any secret of the fact that he would like to get one of his own men in Hoover's place. On the other hand, Hoover would have to be several shades more human than he is not to be flattered by this recognition of his success.

It's a big detective business the Government is in. The annual cost is \$50,000,000 and more, and about 16,000 men and some women are employed. The 14 bureaus at present are: the Federal Bureau of Investigation, which has jurisdiction in all fields in which the United States has or may have an interest; the Secret Service, which guards the President and his family and scouts for counterfeiters; the Postal Inspectors who protect the mails; the Narcotic Bureau; the Bureau of Internal Revenue; the Customs Service; the Alcohol Tax Unit; the U. S. Coast Guard's service; the Bureau of Immigration and Naturalization; the Pure Food and Drug Unit; the Federal Game Wardens; the Army Intelligence Service; the Navy Intelligence Service; and the Division of Investigation in the Department of the Interior.

Whose Water is This, Anyhow?

ONE of the big fights during the regular session of Congress will be on the matter of state pacts for the control of state waterways. Four New England states—Massachusetts, Connecticut, New Hampshire and Vermont—entered into a compact for the management of their streams, specifically for protection against floods. The Federal Power Commission held that this compact violated the Federal Water Power Act, and Congress refused to ratify it. Since then Wyoming and Nebraska have indicated a measure of support for the theory that a state should control its own water, subject, of course, to the licensing provisions of the federal act. Other states are getting ready to join in the defense of states' rights.

The nub—at least one of the nubs—is that if the states join in interstate compacts, as provided in the Constitution, they can control their own waterpower for flood protection and power production. But if the federal Government is in control the states may only say "Uncle." In that case the Seven TVA's plan, which has been toned down until it is now merely inquisitive and advisory, might burst out overnight as a federal boss.

SEC Douglass on House Cleaning

CHAIRMAN Douglass of the SEC insists that the Commission does not want to take a broom to the New York Stock Exchange. He thinks that brokers as a class are honest, but they have permitted improper practices to get set with age:

The leaders of the Stock Exchange know they are improper.

They want to get rid of them. They would like to cooperate with us. But they are dead set against government interference.

He believes the Stock Exchange will be cleaned up by the Stock Exchange. The house cleaning could be done more rapidly, more thoroughly, and with fewer outcries than if the SEC does it.

"But if they won't, we will."

No 40-40 or Fight for Him

THE 40-40 wage-hour plan does not bother the packers. Said one:

We pay 63 cents an hour for common labor. We should worry about a 40 cent minimum. None of our men work more than 40 hours a week. I wish they did. So do they because we pay overtime. I do not believe that any big corporation is affected by this proposition. Only the small man who operates on a shoe string is touched by it.

But he does not like the farm control plan:

If a farmer is forbidden to raise enough corn for his hogs he will fatten them on soy beans. Progressive evasions of that sort will eventually mean either complete crop control by the Government or ruinous crop dislocation.

Headaches for NLR Board

AN executive in one of the air companies said that:

After and as a result of recent accidents the air companies dropped 17 of their older pilots. No charge of incompetence was made against them, but the allegation was that the older pilots did not obey instructions to fly high. They had been accustomed to nose along and watch the ground and they automatically and without thought of defiance forgot to keep at the 10,000 foot level. The recording barographs caught them at it.

He said the strong Association of Pilots is tremendously stirred up and may take the matter to the N.L.R.B. The Board may conceivably dislike to rule against the companies in a matter in which the safety of passengers is presumably involved. But if the Pilots Association is a union the Board must at least consider the matter. If it is not a union then at what point is the line drawn between unions and associations of employees?

More Troubles For the Soc. Sec.

ONE of the problems which will confront Congress in the regular session is the elimination of the bugs from the Social Security set-up. No one denies that the bugs are there.

Not all those interested see the same bugs. One of the greater corporations, for instance, has for years maintained its own retirement plan:

"Why do you not abandon that plan and cooperate fully with the Soc. Sec.?" is the query of this organization.

"We are not convinced that the Soc. Sec. plan is actuarially sound" is the reply. "Until we are so convinced we will continue our plan."

Meanwhile, of course, the corporation must pay into the Soc. Sec.

It may carry on with the present plan, and meet the cost by contributions from the employees. These contributions will be offset by pay increases. That may ultimately mean rate increases. It's a headache. Headache area seems to be moving toward the stockholders.

Figures Don't Lie, Sometimes

A HARD-HEADED expert on housing and its problems said that the President's scheme to provide federal backing for private loans for the erection of low cost houses was

very good indeed if it was good at all. His opinion:

If general business improves so that more jobs are to be had, the wage-worker will be glad to buy a house or have one built for him. The President's scheme is in fact merely an expansion of the F.H.A. It was sold to Mr. Roosevelt by Marriner Eccles

of the Federal Reserve system, and while Eccles is liberal he is also rated as sound.

What it amounts to, though, is that it is a confession that business can do what the Government cannot. If the shackles are taken off business and it expands, and makes work, and money is invested again, a housing enterprise amounting to billions a year would be a mere commonplace. If the Government tried to put as much money directly into housing it would be a calamity. Arithmetic will continue to rule, he said, and Government can never invest as much money in any productive line as private business can in every one of many lines.

Russians are Canny Buyers

AN AMERICAN who does business with Russia expects that Russian buying will pick up:

They're canny buyers. If the business recession continues they will get some cut prices on the things they need. They are waiting for bargains.

American machine tools are a necessity to Russia, he said. They will continue to be until an entire new generation of workmen has been reared.

In America we play with tools from boyhood. We have screw drivers and hammers and files and can-openers and saws and gimlets in every household. An American boy is handy without knowing it. A Russian household only has an axe.

Russian master mechanics and superintendents are as good as Americans, said he. But they lack the intermediaries we have in profusion. Men who might be called top-sergeants, who can boss and watch and teach the men who go into a shop with no knowledge whatever of mechanics.

"Consequently the machine tools go to pieces rapidly. They must have more if Russian industry is to prosper."

Prophets Pick "Bill" Green

NO telling what may happen tomorrow. But the prophets think today that William Green, head of the A.F. of L., will not compromise with John Lewis, of the C.I.O. They think he has never had any intention of compromising.

Reason why:

The A.F. of L. has many locals, scattered all over the country. Each local has more or less political power. When the Federation comes before Congress it is listened to. The C.I.O. forces are concentrated in a few industries and a relatively small area. They may speak with the tongues of angels but only a few congressmen will hear them.

The argument is that Green will never relinquish this advantage. Another reason in support of the argument is that the A.F. of L. distinctly does not get along with Secretary of Labor Perkins, whereas the C.I.O. notably does.

Uneasy lies Henry's Head

HENRY Morgenthau, senior, was once Ambassador to Turkey. He liked it, made good at it, might have kept it except for events for which he had no responsibility. Henry Morgenthau, junior, may be appointed an Ambassador, if rumor may be credited. If he goes he will go reluctantly. It is not likely that he will go.

If he does go, it will be because he insists to the point of presidential ennui on balancing the budget.

His heart is in that job. He talks balancing in season to the President and, occasionally, out of season. The depression came on to shatter his hopes, if he ever had any, but he still insists that the budget should be balanced. If he keeps on, he may be sent to foreign fields, but this is not regarded as likely.

Mr. Morgenthau is not mandatory in his methods, as was George Peek. He merely mourns.



So many organizations are in the field that the average man cannot help but be confused

Consumer Clans Are Gathering

By FRED DEARMOND

A GREAT Consumer Movement is now tramping out the vintage in the American economic scene. Its battle hymns are heard in every forum. Women's clubs have put aside Oriental Travel and the poetry of Edna St. Vincent Millay as topics for discussion and now clamor for speakers on "Consumer Education." Editors of women's magazines find that their readers want fewer recipes for summer salads and more information on consumer goods specifications or social consciousness. The solicitude for the consumer is scarcely second to that shown for the underprivileged.

Such a miscellany of organizations are in the thick of the movement, marching hither and yon in so many conflicting eddies of collective effort, that the situation is confusing to a lay consumer. A few facts do impress themselves; the first is a diligent waving of the consumer banner to marshal more legions for social reform. Perhaps the best beginning at an effort to understand what it is all about is to attempt to classify some of the

PITY the puzzled customer who finds that many of the organizations that ask his support by expressing a nominal interest in his welfare really have other objectives

organizations espousing the consumer's cause. They seem to resolve themselves into four reasonably distinct classes:

1. The Women's pressure groups.
Some use the consumer only as a means to social reform, others are genuinely interested in consumer problems. A number of organizations with other primary functions have divisions devoted to consumer education.
2. Government activities on behalf of the consumer.
3. The Consumer Testing Bureaus.
4. Consumer movements inspired by business.

Two organizations in the first grouping which, by their names, might be expected to exert leadership really are not interested in the consumer at all. Mrs. Henry W. Louria, executive secretary of the Consumers League of New York, recently asked women, through a statement in the *New York Times*, not to phone or

write headquarters for information or recommendations about qualities of goods and related subjects:

The League never has concerned itself with products or standards. It was formed to see what could be done about labor conditions.

All efforts of the League, the several state bodies as well as the national, are directed toward agitating for such things as youth control, minimum wage legislation and the "worker's" cause in general. Some concern is manifested in the sanitary conditions under which goods are manufactured but this appears to be merely a catch to win support for its social uplift program. A label is given to approved firms to be attached to their goods for the buyer's information.

More pronounced in its left-wing sympathies is the League of Women Shoppers. This organization, with

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ARE
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CAN BE DEPRESSED
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CAN BE WRITTEN
IN ONE OPERATION**



2 5.6 0
5.0 0
4.5 0
1 0.6 7
3 1 5.2 5
3.9 0
1 0.4 0
6, 7 1 2.7 0
5.9 0
4 8.4 5
2.5 5
3 0.0 0
4.7 8
3 5 0.0 0
2 4.5 0
1.4 5
6.0 0
3 0.6 5
2 5.0 0
7, 6 1 7.3 0 *

**FOR EXAMPLE—YOU SAVE
69 OPERATIONS
in listing and adding these
19 typical amounts**

Take the above as an example of how thousands of needless operations can be eliminated by the Burroughs short-cut method. The amount 25.60, for instance, was listed and added by depressing the 2, 5 and 6 keys and the motor bar *all together, in one single operation*, instead of writing one figure at a time. The amount 6,712.70 was listed and added the short-cut way in two operations instead of seven. Thus, the short-cut method saves operations in writing any amount.

Let the local Burroughs representative show you on your own work—in your own office—what the Burroughs short-cut method of listing and adding amounts on Burroughs short-cut keyboard can actually mean to you.

BURROUGHS ADDING MACHINE COMPANY • DETROIT, MICHIGAN

chapters in New York, Philadelphia, Boston, St. Louis, Milwaukee, Los Angeles and other large cities makes no pretence at justifying its name. It is dedicated frankly to the boycott idea; in the words of one of its announcements:

To provide a channel of expression for women who wish to use their purchasing power to improve the working conditions of those employed in manufacturing and selling goods they buy.

But instead of lobbying for social reform legislation after the manner of the Consumers League, the Shoppers go out on the picket line and nurse strikes. Sometimes they serve "demands" on employers to sign union contracts. They make a gesture at studying the merits of labor disputes before resorting to direct action, but the study seldom seems to be carried beyond the point of evaluating the chance of winning a strike or of getting a good slice of martyr publicity.

Perhaps the biggest stunt of the Shoppers was their booklet, "Consider the Laundry Workers." Investigators were sent out to visit some of the least respectable laundries in New York City and to call on their employees in their homes to ask them what was wrong with their jobs, their bosses and the world in general. Newspapers all over the country reviewed this "study of conditions" as a sample of revolting industrial tyranny.

Laundry spokesmen vigorously denounced the publication as a labored and venomous smear, no more representative of power laundries than a description of New York's East Side curb markets would be representative of conditions in the nation's retail stores. It is understood that further "exposés" will be made in other industries. Evelyn Preston, president of the League, is the wife of Roger Baldwin of the American Civil Liberties Union. Among the sponsors is Mrs. Gifford Pinchot, wife of the former governor of Pennsylvania.

Reform via the purse strings

THESE crusaders are animated by the thought that, if woman, the guardian of the national purse strings, will use her power when she goes shopping, she can accomplish more reforms than in the voting booth. Women follow the fashion of the day, and just now it is fashionable to agitate for all sorts of social reform playthings. The pinks have really crashed the parlor at last.

But much earnest, even if frequently misguided, work in the consumer's behalf is being done by a number of women's organizations with consumer committees. The American Association of University Women, among other projects, made a study of comparative costs of home and commer-

cial laundering in Denver. Once annually the Women's National Exposition of Arts and Industries holds an institute in connection with its exposition in New York City at which various consumer problems are studied. Symposiums have been given over to such subjects as "Current Legislative Trends Affecting the Purchasing Consumer," "Social and Economic Aspects of Food Distribution," "The Machine and Its Effect on the Human Race" and "Pre-shrinkage of Fabrics." The organization is working in the interest of fiber identification and fabric guarantees by textile manufacturers.

The League of Women Voters has an active division for the education of its members as consumers. Many of the broader aspects of economics are considered in the League's educational pamphlets and an apparently sincere effort is made to present both conservative and radical remedies for our economic woes.

Recent months have seen the launching of an ambitious effort to coordinate the work of a number of groups into one big Consumers National Federation. This body, which came into being at a meeting in New York City last spring, traces directly to the nurturing of Major Berry, at that time the Administration's Great Coordinator. It represents an attempt to unify all non-profit consumer activ-

Some use the consumer and his buying power only as a means to social reform



..... like an AVALANCHE



THE loss of the breadwinner often starts a train of misfortunes which can hit the whole family with the force of an avalanche.

The home is broken up; the children's education is cut short—hopes of college shattered. Without training or experience, the widow may suddenly be forced to depend on her own efforts to support her young children.

How can you make certain this won't happen to your family? You may attempt to build an estate through savings and investments, hoping it will be large enough to assure security for your wife and children. But this course may take years—if you live.

The modern way to safeguard your family is through a well-planned Life Insurance Program. Then *from the very start* your wife and children have the security which you desire for them—the utmost protection you can provide.

A Metropolitan Field-Man will help you develop a Program suitable to your needs. Telephone the nearest Metropolitan office and ask him to call—or mail the coupon today.

The Metropolitan issues Life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies. The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.

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LEROY A. LINCOLN, President

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ities in what, for the present at least, is largely a paper organization. Objectives of the CNF were stated in the first issue of its *Bulletin* as—"to give coherence and focus to this consumer movement by providing centralized services of information and education."

Organizations affiliating with CNF include Consumers League of New York, Consumers Union, Cooperative Distributors, Greenwich House, Henry Street Settlement, League of Women Shoppers, Milk Consumers Protective Committee, New York City Federation of Women's Clubs, New York League of Women Voters, National Federation of Settlements, Peoples League for Abundance, Progressive Women's Council, and United Neighborhood Houses.

The chairman, Helen Hall, wife of Paul Kellogg, editor of *Survey Graphic*, is administrator of the Henry Street Settlement House in New York City and president of the National Federation of Settlements. Unquestionably earnest in her desire to obtain better living conditions for the crowded tenement dwellers in large cities, Miss Hall has accomplished much good in that direction as a member of the New York Milk Advisory Committee and by her opposition to price fixing. Her background, however, is that of a welfare worker. In common with most of her associates in the Federation she seems to proceed on the assumption that business is responsible for all poverty and destitution.

Producers are consumers, too

A CONFLICT between the interests of consumers and producers is assumed in much of the current championship of the former. Women are induced to join crusades which may injure their producer interests more than it can help them as consumers, not realizing that it is difficult, if not impossible, to separate the twain. But the belief that consumers need some kind of special protection is given wide circulation by certain current practices of business and government.

Price fixing, government subsidies and curtailment of production, the jacking up of wage levels at the expense of higher prices, and other interferences with the free flow of goods in the direction of natural demand all tend to set up a conflict of producer-consumer interests where none should exist. There is undoubtedly a need for consumer education but it is subordinate to the need for education in economic science. When more consumers are brought to understand what makes the wheels of production and distribution turn, many consumer problems will disappear.

The present consumer activities of the federal Government are varied. Among them are the Consumers Project of the Department of Labor, Bureau of Standards, Bureau of Home Economics, and Consumers Counsel, a division of the Department of Agriculture and publishers of "Consumers' Guide." Valuable aid is being lent toward the standardization of consumer goods. But all of these agencies are floundering among the various conflicting policies of the Administration as they affect both producers and consumers.

The third class consists principally of two agencies—Consumers Research and Consumers Union—both well known for their sensational methods.

Consumers Research was formed in 1929 as a non-profit service organization by Frederick J. Schlink and Arthur Kallet, co-authors of "100,000,000 Guinea Pigs." The coming of the New Deal accentuated fundamental differences in their views. Kallet had long been something of a Marxian, while Schlink is an iconoclast on many things, including collectivism and labor unions.

The inevitable rupture of this discordant union came in 1936 with a strike of employees at the offices and laboratories in Washington, N. J. As a final outcome of this, Kallet and Dewey H. Palmer, research director, together with a group of the employees, split with Consumers Research and formed Consumers Union.

Those familiar with his work only by reputation might class Mr. Schlink as a radical himself. It is true he has been caustic in his criticism of many aspects of American business. Advertisers, particularly, have felt the sting of his castigations. But a closer study of his work discloses some facts that change the common appraisal.

Consumers Research as now constituted has exposed consistently the contradictions in the program of curtailed production and relaxation of the antitrust laws on the one hand and the plan of redistributing the wealth on the other. It has soundly taken issue with the constantly reiterated dogma that the welfare of the consumer must come from artificial stimulation of purchasing power.

The right-wing marshalling of consumers by business, which on many isolated fronts has been going on for some years, was given decided impetus by the sniping from the left at the past national convention of the Advertising Federation of America. Mrs. Lois B. Hunter of N. W. Ayer & Son called it a boon to merchandisers.

Consumer activities sponsored by business have been labelled "kept" or "captive" movements by Robert Lynd, co-author of the "Middletown" books and vice chairman of the Consumers

National Federation. But while gagging at them, Dr. Lynd has had no difficulty in swallowing an organization which, if not kept by the bureaucrats, was at least hatched out very near their encircling wing.

The right wing of consumers

THE formation in 1936 by the American Standards Association of its Advisory Committee on Ultimate Consumer Goods gave the right-wing of the Consumer movement something to rally around. While it is concerned only with standards, this committee, in bringing together retailers and representatives of consumer organizations, may succeed in building a powerful buffer against the upsurge of the left wing. One of the tasks it has set itself, according to P. E. Agnew, secretary of the A.S.A., is the compilation of a dictionary of terms used in retailing to describe various types of merchandise. Another is the standardization of sizes for children's garments.

Represented on the Advisory Committee are the National Retail Dry Goods Association, American Association of University Women, American Home Economics Association, General Federation of Women's Clubs, National Association of Purchasing Agents, National Association of Parents and Teachers, National League of Women Voters, and three departments of the federal Government—Agriculture, Commerce and Labor. H. W. Brightman, chairman, Merchandising Division of the National Retail Dry Goods Association, is chairman of the Advisory Committee.

What is back of all this organizing, crusading, debunking and defending? What accounts for the 60,000 CR and 40,000 CU subscribers?

First, a paternalistic government has taken so many liberties with natural supply and demand that a *consumer class* is coming into being along with other classes new to our American life.

Second, the impatience with free competition and the growing price fixing obsession on the part of business. These two factors have created in the minds of consumers a fear that prices of everything are about to skyrocket.

Third, is the irresponsibility that characterizes so much advertising. The best minds in advertising say that some correction is needed to keep advertising from being discredited. Consumers demand more specific, factual selling and advertising.

The Consumer Movement is the voice of protest—only, instead of one clear and understandable chorus, it is a conflicting medley ranging from pure harmony to backyard cat calls.

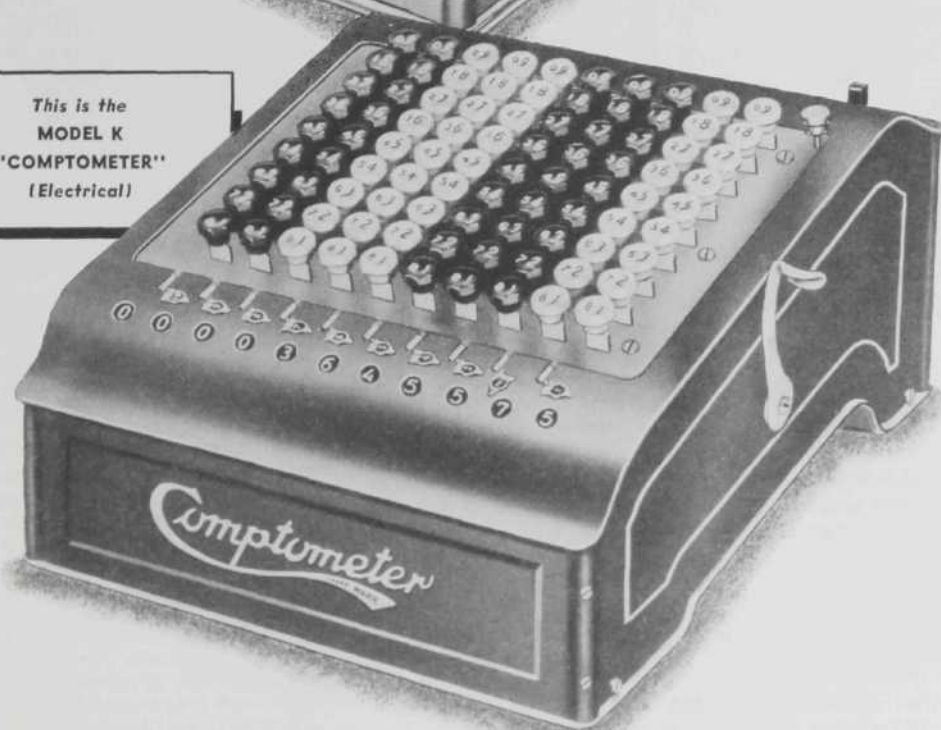
FIGURES...

While they're "HOT!"

This is the
MODEL J
"COMPTOMETER"



This is the
MODEL K
"COMPTOMETER"
(Electrical)



Let's be fundamental. Time is money. "Comptometer" methods save money — because "Comptometer" methods save precious minutes, hours and days in handling figure work.

Nothing mysterious about this — just a matter of increased speed, accuracy and flexibility.

A representative will gladly demonstrate (in your office, on your job) how "Comptometer" methods can save your time and money.

Telephone the local "Comptometer" office, or write direct to Felt & Tarrant Mfg. Co., 1712 North Paulina Street, Chicago, Illinois.

COMPTOMETER

Reg. U. S. Pat. Off.

No Business Can Escape Change

"What's new?" American business always brings forth products to advance the art of living

1 • A NEWLY developed machine washes glasses of all sizes and shapes. It has brushes, shaped to reach all crevices, and an electric motor in a splash-proof housing to drive the brushes. No plumbing connections needed—it sits on the edge of the wash basin with the brushes just under water.

2 • A DIFFERENT type mattress is made of foam rubber including 85 per cent air in cells which are not air locked but free to give according to pressure. The mattress is said to be lighter, more comfortable and sanitary, and to have a smooth surface.

3 • A NOVELTY for instructors in first-aid is a sweater with parts of the human anatomy printed on it in black and colors. When the instructor puts it on, he can explain more easily than with charts and the students remember.

4 • A CAULKING compound for narrow openings around doors, windows, and the like may be applied with a gun, or, for larger openings, with a putty knife. It makes a tough, elastic, airtight and waterproof compound that will not crack or check. It may be painted over like wood.

5 • CRUSH-PROOF rayon pile fabrics of the type of transparent velvet are made possible by a new finishing process. Even if the pile is stepped on, it is only temporarily flattened. The benefits are particularly noticeable in damp weather. The finish is fast to dry cleaning and, in some cases, water.

6 • A PROTECTIVE coating for concrete, steel, or wood may be sprayed on with a paint gun, protects against many acids, alkalis, oils and other corrosives, prevents electrolysis by its nonconductance. Naturally colorless, it may be given practically any color. It has a smooth semi-glazed surface.

7 • A REMOTE control hose valve for industrial fire-fighting systems permits the use of exposed sections of pipe without danger of freeze-ups. It also prevents loss of water through leaky piping.

8 • Fibrous glass with high thermal efficiency has been developed as a filler insulation for underground steam pipes. Under vibration it fluffs instead of packing. It is unaffected by decay or vermin, is light weight and does not absorb moisture.

9 • A PORTABLE pocket-size device for determining the concentration of explosive gases draws the gas to be tested through a tube, then tests it with a Wheatstone bridge circuit operated from small dry cells. Readings are given in percentage of the lower explosive limit.

10 • PIANOS much lighter in weight and smaller but with

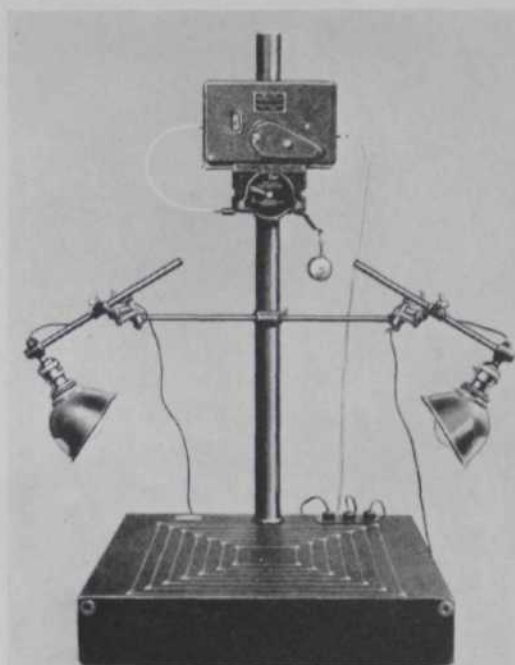
the volume and tone of a grand are made possible by an electrical system and speaker which replace the bulky soundboard. Keyboard and strings resemble the conventional piano. Greater tone control is said to be possible.

11 • A NEW white pigment for lithographic inks has improved hiding power, reduces the troubles of emulsification, and is resistant to yellowing during baking of tin decorating inks and other products.

12 • PHENOLIC plastics are now available in brilliant transparent colors without loss of other qualities of that plastic including resistance to moisture, and dimensional stability.

13 • NOVEL display signs for counters and show rooms are made, and changed at will, from colored vacuum letters on a translucent panel mounted before a light. Different units may be made to light in series or in rotation.

14 • A LUMINAIRE for stores is designed to throw its major light on display merchandise, yet glare is eliminated from the normal line of vision. Concentric translucent thermoplastic louvers in the bottom cut the glare and help direct the light.



22 • A complete, portable outfit for microphotography copies anything up to newspaper page in size. Once the simple adjustments are made, the operation is well-nigh automatic. It uses cut film or 1,600 frame rolls of 35 mm. film. The film magazine may be removed at any time. Saves 95 per cent of storage space for records.

15 • A COMPLETELY flexible system for storage in boxes is built from steel racks in which the boxes slide like drawers. The rack units lock together easily without tools and unlock as easily for quick rearrangement.

16 • A SIMPLE yet extremely sensitive detector for mercury vapor has been developed for workers' safety. It consists of a truncated cone through which a slightly heated sample of air is moved past a test paper.

17 • A BURGLAR alarm using photoelectric cell and invisible light, has been simplified sufficiently to allow over-the-counter sale. It can be plugged into any 110 volt power, A. C. or D. C. making it practical for homes and offices.

18 • A SPECIALLY treated titanium dioxide pigment has both high tinting strength and resistance to chalking. It can be mixed with chemically reactive pigments such as zinc oxide.

19 • A CIRCULAR metal saw blade, diamond impregnated, cuts glass, porcelain, vitrified products. It makes a clean cut only 3/64" wide. Thin slices for examination may be cut from stone.

20 • A NOVEL device to measure the velocity of mechanical vibration utilizes a small electric generator operating on a reciprocating motion. The voltage is proportional to the velocity of vibration. Wave form and frequency can be studied by connecting with other electrical instruments.

21 • A MANOMETRIC gauge for automobilists is said to provide a check on driving efficiency by showing whether gas mileage is good or poor. It is also a check on engine efficiency.

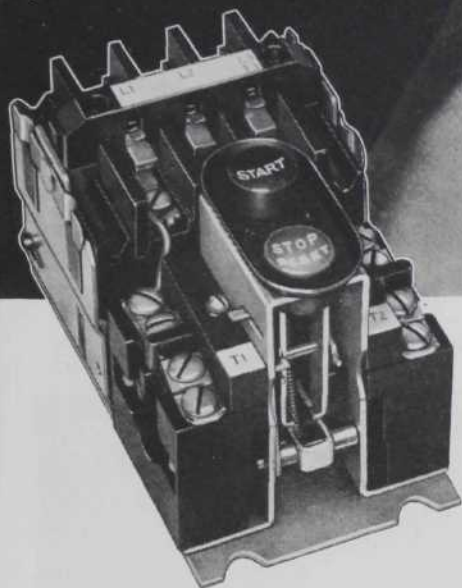
—WILLARD L. HAMMER

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

C-H BULL. 9115

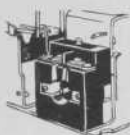
(NEMA SIZE 0)

A.C. MANUAL MOTOR STARTER



OPERATING MECHANISM — Available as skeleton for building into machines, etc. Metal parts rustproof. Rubber mounting absorbs shocks. Mechanism removable as a

unit by loosening one screw—for wiring, etc. Parts and terminals easily accessible.



OVERLOAD RELAY — Famous C-H eutectic alloy thermal overload relay, most dependable known. Reset by

pushing stop button. Free-tripping. Rating changed by changing heater coils.



PUSH BUTTON OPERATION — An achievement for this type of starter. Start, stop and overload reset. Start button

can be locked against unauthorized operation.



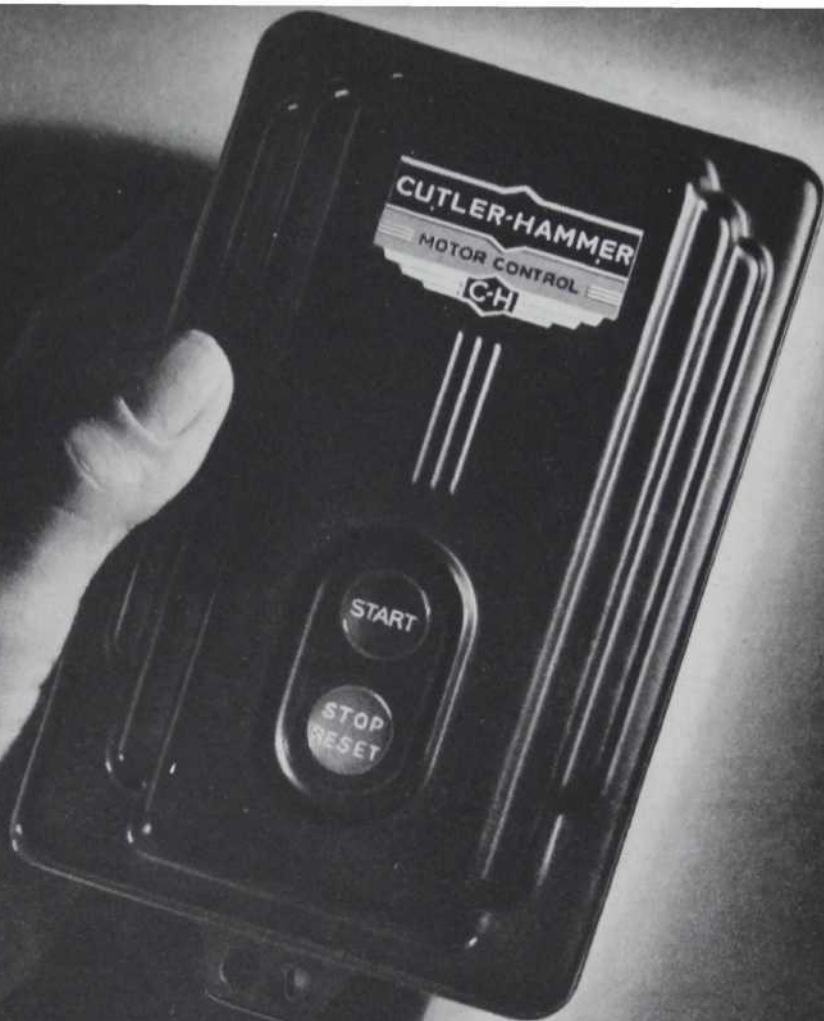
DETAILS — As further evidence of the extreme care and thought in designing this new starter, your attention is called to numerous small yet important details such as self-finding terminal screws, unique staking of cover screw, handy spring



COVER — "Hook-on" type. Loosening one screw permits lifting off from front. Permits close-fit installation.



CONTACT STRUCTURE — Newly designed for compactness, simplicity, strength and accessibility. Unit base construction easily removed. Positive, quick make, quick-break, twin-break silver-



THIS startling new Cutler-Hammer Control is of interest to every thoughtful executive and machine designer who realizes you can't judge the importance, you can't judge the control needs of a motor by its size. Predicated on the premise that *all* motors deserve equal care and protection, Cutler-Hammer's new 9115 manual motor starter offers everything you want. New small size, new modern styling. Complete accessibility. Push Button operation. The famous Cutler-Hammer eutectic alloy overload relay. Surface or skeleton mounting... Literally, features by the dozen. And best of all, a low price — \$7.00 list — that cancels the last reason for accepting inferior motor control for motors 2 h.p. and under. Read the part list of features outlined elsewhere, then write or wire for complete details. CUTLER-HAMMER, Inc., Pioneer Manufacturers of Electric Control Apparatus, 1251 St. Paul Ave., Milwaukee, Wis.



BIOGRAPHY OF

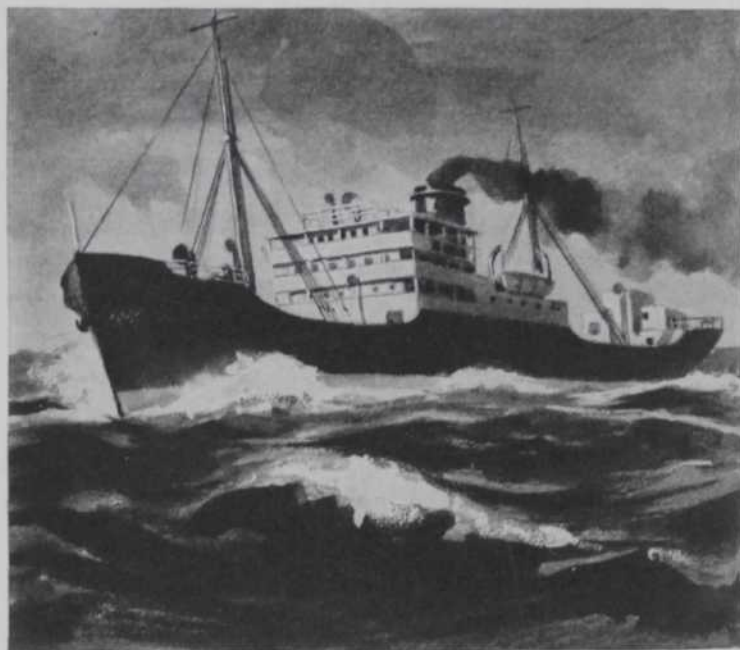
The Remarkable Story of How a California Man Came Upon



1. Two years ago, a man who habitually draws little sketches in magazine margins left his copy of the Post with a friend in Los Angeles.



2. His friend took it by train to San Francisco, thence to a club to finish a story. Left it on the club's magazine reading table.



5. After a stay at the Seaman's Association, still more dog-eared, it boarded a tramp freighter sailing around the world.



6. Months later, it was put ashore in Florida, where it was picked up by the very same man who had left it in California.

THE SATURDAY

A SINGLE COPY

His Marked Copy of the Post 3,000 Miles From Home



3. From the club's magazine reading table, it was picked up and dispatched to a neighboring hospital, where it was read by a number of patients.



4. From the hospital, now pretty dog-eared, it went on to a Seaman's Association reading room, where an additional number of men read it.

NO man can say how many people read this copy of the Post that traveled from California to Florida. The total number of people who read the Post is a debatable subject.

But whatever the number, it is a great deal more than the net paid circulation of the Post—over 3,000,000 copies every week. Perhaps four, five, six times three million. Write your

own figure.

And remember that these people form the richest, most responsive market in the whole world . . . one which has been cultivated, year after year, by the most notable successes in American business.

It follows naturally that the Post each year is awarded more advertising dollars than the next five weekly magazines combined.

EVENING POST

MEMO...

for Busy Readers

1• Banking is a human business 2• Price control brings production control 3• A tax analgesic 4• What fate for the railroads? 5• Business creates our wealth

A Bank Plays Good Neighbor

WHAT goes on behind bankers' windows touches community well-being so deeply in its effects on individual fortunes that publication by the Huntington National Bank of Columbus, Ohio, of a series of stories about its emergency activities in the public interest amounts to a contribution of more than local significance.

How responsive to the needs of men the power of money can be made is revealed in the relief of a lease burdened store group, the preservation of a machinery concern faced with dwindling resources, the rescue of several small town banks in dire straits for cash, and the decision not to "sell out" a debtor with a good name. Banking, it turns out by these factual examples, is a thoroughly human business, ready and willing to make generous exceptions to the practical rules established for its protection and persistence.

The Way of All Price Control

ATTEMPTS to control prices of raw commodities have usually led to government control of producers. Beginnings of government intervention have customarily appeared as emergency measures to meet specific temporary difficulties. Ultimately permanent programs for complete government control under international agreements have been developed. So concludes the National Industrial Conference Board after a study of international raw commodity price control.

In the case of seven of the nine commodities included in the study, the initial method of control comprehended withholding supplies from the market. A temporary price increase resulted, seeming to indicate successful control. Apparent success attracted increased production.

Government aid was then introduced, usually in the form of loans on the stored commodity, to maintain prices in the face of this increase in production. This aid further stimulated production by suggesting assurance of price stability.

Continued increase in supplies and inability to liquidate them led to curtailment of production, first by voluntary

action, then by governmental bounties or compulsory methods. The final stage was uniformly reached when the control ceased to represent a temporary measure and became a governmental policy.

The Board's report includes a separate analysis of national and international control policies in relation to coffee, copper, cotton, rubber, silk, sugar, tea, tin and wheat.

One of the significant facts revealed is the tendency toward the development of new productive capacity in areas outside the scope of the control operations, and the resulting decline in the share of the original producing areas in total output, especially evident in the history of cotton, sugar and wheat controls.

Dulling the Pain of Taxes

BALTIMORE'S city government is trying its hand at easing the pain of taxes. An advertisement in the *Sun* declares that "Taxes is not a horrid word any more," and admonishes the taxpayer to "take time—pay small sums weekly or monthly." It's all done by opening an account in the city's tax saving department. No red tape. You pay as you please... a dollar or more... then continue payments as convenient. Simple enough. Possibly delinquencies can be reduced through discharge of the obligation by fractional payments. In any case, the sum of the parts must equal the whole. The bill is no less for postponement of settlement. Saving for the tax collector is a new fashion in thrift. Like the doughboy who hailed the road sign, "To Rouen" with the comment "So they brag about it over here," the taxpayer may come to view tax salesman-ship as candor at a price.

Two Men Look At Railroads

CAN the railroads make the grade? Whether or not they do works around to public policy and public opinion. Two relevant contributions to understanding of the situation of the railways are provided by Dr. Lewis C. Sorrell, professor of transportation at the University of Chicago, and P. Harvey Middleton, secretary of the Railway Business Association, in books which came off the presses in November.

No specter is government ownership

to the realist. In these assessments of the possibilities it is weighed in the light of accomplishments under the established order. Taking stock of the representations in its behalf in terms of past performances, the general conclusion is that government ownership of railroads in the United States would serve neither the public interest nor the special interests involved, and, because conditions in other countries that may have necessitated government ownership do not exist here, the step would be unsound.

Appraising the concern of the groups affected, Dr. Sorrell, in "Government Ownership of Railways for the United States," reveals organized labor favorable to government ownership, shippers resistant, investors probably against the change on principle, and the ordinary citizen pretty much on the fence.

"The general public," he says, "is largely indifferent though not hostile to private ownership of the railroads, but is preoccupied with the effort to battle its way out of depression and is willing even to imbibe considerable doses of government patent medicine as a specific for all economic ills."

Deficits and political corruption are a logical expectation of government ownership, author Middleton asserts, in mentioning Japan and South Africa as exceptions in his "Railways of Thirty Nations."

A Creator of Wealth

BUSINESS has been negligent in telling its story, asserts T.E. McGrath, head of the McGrath Sand and Gravel Company of Lincoln, Illinois. To quote:

Contrary to the common idea that in the building of a business the stockholders and management are serving an entirely selfish purpose, the McGrath Corporation started a business with \$2,500 and created 175 new jobs and \$22,000,000 in new wealth. The growth and expansion of this business carried with it a greater benefit to the men and women of the McGrath organization and to the public welfare than it did to the stockholders and management itself. The stockholders received in cash dividends only one-twenty-seventh of the wealth created.

What the company's operations have contributed to the economic development of the country is indicated by the following tabulation:

Plants—actual cost	\$ 1,249,260.67
Gravel lands—actual cost	668,278.46
Wages and salaries paid	2,930,901.71
Power	842,202.07
Repairs and supplies	1,036,980.15
Taxes—local, state and federal	327,631.23
Insurance and interest	332,431.07
Traveling and office expense	349,875.60
Postage	19,555.62
Telephone and telegraph	90,305.14
Other items	447,898.08
Railroad freight revenue	12,774,245.48
Cash dividends paid to stockholders	820,723.00
	\$21,890,288.28

"Add or deduct a few ciphers," says the company's statement, "and these figures will give you a true picture of most small, medium or large well managed business concerns throughout the nation."

New CHEVROLET 1938

THE CAR THAT IS COMPLETE



"YOU'LL BE AHEAD WITH A CHEVROLET!" That fact is striking deep into the consciousness of motor car buyers everywhere, including scores of thousands of people who formerly purchased similarly priced cars, and scores of thousands of others formerly attracted by higher priced cars. For here, in Chevrolet for 1938, are all the things that spell motoring enjoyment without motoring extravagance. All the beauty, all the brilliance—all the features from *Knee-Action** to *No Draft Ventilation* and from *Perfected Hydraulic Brakes* to *Valve-in-Head Engine*—all the comfort and all the safety! Chevrolet is *the car that is complete*; Chevrolet is also *the symbol of savings* in first cost, operation and upkeep; and these are strong, practical reasons why you, too, will be ahead with a Chevrolet!

**On Master De Luxe models only.*

CHEVROLET MOTOR DIVISION, General Motors Sales Corporation, DETROIT, MICHIGAN

*"You'll be AHEAD with a
CHEVROLET!"*



Seeing Red

A reader regards the bumper
crop of literary bias and reports
a rash of false alarms

Spare the Remedy

POISONS, POTIONS AND PROFITS

By Peter Morell
Knight Publishers

ANOTHER exposé of patent medicines, cosmetics and other radio advertising. Granting that grave abuses exist, it seems that the author in his lurid scare-stories may be as guilty of exaggeration as the nostrum "plug spouters" whom he excoriates. The fact that a tooth paste or a face cream contains an ingredient which in its undiluted state is poison scarcely justifies the sweeping conclusion that the use of the product is dangerous. People are not in the habit of making a meal of tooth paste or cosmetics.

But this sort of reasoning is the method of Consumers Union which supplied most of Mr. Morell's material.

And all his fears that the profit motive of the broadcasting companies is prostituting intellectual freedom dissolve when stacked up against his proposed remedy—government operation of radio. If that reform were achieved, then indeed could we tremble for the fate of freedom of the air.

The Churches and Capitalism

SOCIAL OR ANTI-SOCIAL WAGES

By I. W. Cox, S. J.
The American Press

INDUSTRIAL CONFLICTS—A STUDY UNIT

By Charles C. Webber
National Council of Methodist Youth

THE churches should be a power for conservatism and peace in the class war.

Many churchmen are. But a conflict over economic and social issues has broken out in both Catholic and Protestant circles.

Father Cox, a Fordham University professor, thinks our economic order is "immoral," "a mechanism of anti-Christ." He greatly deplores Communism, but only for what it would do to the church. He thinks every man has the natural right to "a sufficiency of the material goods of this world." Aye, there's the rub! If we could only agree on what that sufficiency is—and if the nation could only produce it, all controversy would be stilled.

The Methodist Youth booklet is an outline for young church workers who wish to study the technique of labor strife.

Each session starts with a canned prayer written by Walter Raushenbush, and then proceeds with a talk by the leader and a catechism, including such questions as:

Is a strikebreaker to be commended, pitied or condemned?
How should a Christian striker treat a strikebreaker?
Would you as a Christian demand that pickets be protected in exercising their right peacefully to persuade?

An irreverent critic might add these pertinent questions for discussion:

Should Christian forgiveness be stretched to cover the bomb-tossing, direct-action striker?

Do you as a Christian prefer baseball bats or bare knuckles as the best means of peacefully persuading non-strikers?

"Large Visions of Liberty"

COLLECTIVE BARGAINING FOR TODAY
AND TOMORROW

Edited by Henry C. Metcalf
Harpers

TEN men, including three practical business men, discuss labor. Much earnest exploration of personnel problems, mixed with the usual stone-throwing at poor old *laissez-faire*.

If doubt still exists that Washington officialdom has signed on with the CIO for the duration of its war with the A.F. of L. it will be further dispelled by the remarks of David Saposs, economist for the National Labor Relations Board, and Harlow S. Person of the Rural Electrification Administration.

Mr. Person repeats three times the warning that, if the workers can't get what they want through bargaining, they will proceed to take it anyway. He adds that "while the leaders in Russia have large visions in respect to liberty eventually, it has been restricted while they are getting the foothold."

Professor Metcalf talks very foolishly about rights in the job vs. property rights. That the sit-down strike has been tolerated by some public authorities and employers indicates to him that "strong-arm methods are unwise and dangerous." He doesn't specify whose strong-arm methods.

America Through Dark Brown Lenses

SOME AMERICAN PEOPLE

By Erskine Caldwell
Robert M. McBride & Co.

GREAT writers like Dickens, Zola and Dostoevsky have written mostly of the raw and ugly aspects of life, but they found some gleams of beauty here and there. Not so the author of "Tobacco Road." His eye is glued to the dung heaps in the American scene to the exclusion of anything else. His obvious and revolting overstatements about life among Southern sharecroppers entitle one to question most of the facts in the book.

Equally extravagant are his impressions of the Motor City. They are colored so strongly they refute themselves. Here are a few samples:

Departments (in the auto factories) strewn with bodies and limbs of men. "Workers slaughtered right and left" by lack of common safety devices.

Girl fired for taking a day off for "a serious operation."

Detroit encourages prostitution among its army of homeless and unemployed girls.

Detroit a city of eight-fingered men mangled by the motor speed-up.

He tells of job-selling agents who comb the Metropolitan area extracting \$40 in exchange for the promise of a job at Ford's and implies that the company is in league with this conscienceless racket. But the author cannot be unaware that Mr. Ford has exposed this scheme repeatedly.—FRED DE ARMOND



Sound INSURANCE PROTECTION *at Reasonable Cost*

To property owners, employers and car owners, *Mutual* fire and casualty insurance offers a time-tested method of reducing cost with the maximum in quality of protection and service.

Membership in the American Mutual Alliance simplifies the matter of selection for anyone interested in the complete protection afforded by legal reserve *Mutual* companies. The seal of the Alliance identifies a sound, ably-managed *Mutual* organization.

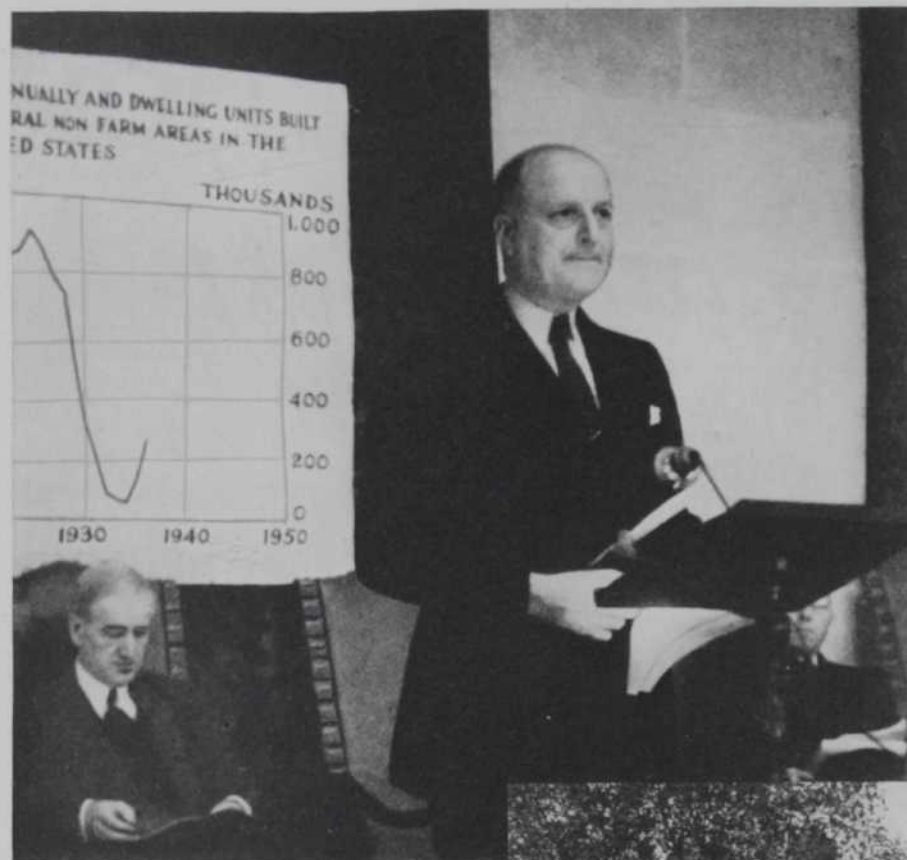
THE AMERICAN MUTUAL ALLIANCE

919 North Michigan Avenue, Chicago, Illinois

THE NATIONAL ASSOCIATION OF
MUTUAL CASUALTY COMPANIES

THE FEDERATION OF MUTUAL
FIRE INSURANCE COMPANIES

What Can Be Done About Housing?



John W. O'Leary, executive director, U. S. Chamber, opens housing conference

FOUR HUNDRED representatives of chambers of commerce and of the building industry from all parts of the country attended the United States Chamber of Commerce conference on residential construction last month. All branches of the industry were represented.

The conference was called to develop some sort of consensus as to the causes and remedies of the present lag in residential building. No attempt was made to minimize the problem or its complexity. All present recognized it as a difficult situation made up of complicated and inter-related parts for which there is no all-encompassing solution.

Some of the more important phases discussed are summarized here. This is not a complete summation of the housing situation but a brief digest of the opinions expressed by leaders in the field in the hope that an airing of their views might help crystallize and stimulate constructive action to remove handicaps and encourage the revival of an industry that has lagged for several years.



These three houses were built by Lumbermen's Association to cost from \$3,780 to \$4,120 in vicinity of Washington, D. C.

What is the Market for Home Builders and Investors?

Shortage of Houses and Increase in Families

The average annual increase in families from 1930 through 1936 was 360,000. The average annual increase for the remainder of this decade will probably be 500,000.

The country is already short 1,600,000 residential units, according to John Fahey, Chairman of the Federal Home Loan Bank Board.

In the years 1923-26, from 800,000 to 900,000 units were built annually. In 1936, best since 1931, only 275,000 were built. The Chicago residential area is 98 per cent occupied, yet building permits which totaled between \$200,000,000 and \$366,000,000 before the depression are now down to \$36,000,000. In Cleveland there were 2,117 fewer places to live last January than there were several years ago.

In Lower Bracket Income Groups

Approximately 80 per cent of the population have annual incomes of less than \$2,500. This group must be reached with houses costing less than \$4,000, but costs vary according to location and a \$3,500 house in one location may mean \$5,000 in another.

Modernization

From 1920 through 1936 modernization has averaged 11 per cent of entire expenditure in construction industry.

One institution took over 350 prop-

erties two and one-half years ago and made little headway until it tried modernization. Spent \$1,100 a unit. Today all are rented or sold. Every one that sold represented recovery of entire investment and a comfortable margin.

Investors' Market

The Home Owners Loan Corporation made 1,100,000 loans totalling \$3,100,000,000 in territory including every county of the United States. Most of them were more than two

Pullman . . . YOUR STUDY, YOUR BEDROOM, YOUR OFFICE—ON WHEELS!

CONSERVES STRENGTH,
ENERGY
AND BUSINESS TIME

● You step into a Pullman private room and resume attention to business affairs with even more efficiency, very likely, than you can in your own office. For here you are freed of distractions and interruptions, decks cleared for the kind of thinking an exacting job demands.

And when you're ready to "close your desk" for the day, you find yourself already ensconced in the most comfortable of lounging quarters, or—in a few short minutes—indulging in that grateful last-minute stretch before rolling into a deep, inviting bed.

Pullman gets you there, no matter what the weather. You board your train in leisurely fashion. During your sleep you speed to your destination. You arrive rested and refreshed for the day's business affairs. No hurry, no bustle, no waste of nervous energy. Pullman travel is dependable and safe—*safer than any other you can choose.*

THREE TYPES OF ROOMS

There are now generally available three types of Pullman private rooms, all with complete toilet facilities: the bedroom for one or two, the compartment for two, the drawing room for three. Where two or more travel together, Pullman room accommodations frequently cost but little more than ordinary berth accommodations. Ask your ticket agent for the price of a Pullman room for your next trip. You'll be surprised at how little more it costs for these added conveniences and extra privacy.

THE PULLMAN COMPANY • CHICAGO



THE PULLMAN BEDROOM—This accommodation provides a full-length sofa by day and a deep, inviting bed by night, with an upper bed put into service when two are traveling. There are complete toilet facilities, hot and cold water, a generous supply of towels, ice water, and ample space for wraps and luggage. There is a handy desk. Every convenience is provided for your comfort. All Pullman bedrooms are air conditioned—winter and summer.

Pullman and Rail—The safe way to go and the sure way to get there

Copyright 1938, The Pullman Company





Colonial Village, 10 minutes from the heart of Washington, D. C., is a large scale rental project built by private enterprise with F.H.A. insured mortgage. Rent is about \$13 a room

years in default when taken over. The HOLC made them in 15 year loans at five per cent. Today the Corporation receives from 80 to 85 per cent of every payment due on any business day. Delinquencies have declined for 18 months. In Washington state, last October's collections were 124 per cent of current billings. Foreclosed properties disposed of exceeded the price a year ago by 20 per cent. The down payment in that area was 17 per cent in cash. For the whole country, October collections were 109 per cent of current billings.

Said Mr. Fahey:

"There isn't much risk to private capital in making long-term loans at reasonable rates of interest on new construction in the face of the obvious shortage of housing which exists in the United States today."

The Federal Housing Administration reports that only 45 properties have been turned over to it on foreclosures from almost \$1,000,000,000 worth of insured home mortgages.

Small Town Possibilities

In normal times almost one-half of the houses built in this country were in communities of less than 25,000.

The Rental Market

Rents have increased 25 per cent in the past 18 months and the demand is increasing. There has never been any appreciable large scale attempt to provide rentals for persons of moderate or low incomes. FHA is now encouraging and guaranteeing mortgages up to \$10,000,000 for large scale rental properties.

Impractical Markets

Upper ten per cent and lower ten per cent income groups can be left to themselves. The upper group needs no help and the low group comes under rehousing of slum dwellers which is to be handled by the Government under the Housing Act.

What is Holding Back Residential Building?

On the Part of the Public

Increase in Cost of Other Items

Public is inclined to postpone purchase of a home when costs of other items are increasing. Contrary to popular belief, history indicates that people do not always build homes when costs are high. History also indicates that high costs are particularly likely to retard building in early period of a building revival.

Misconception of Costs

The public seems to be misinterpreting the Government's slum building program as making it possible to rent shelter at five or six dollars a room.

Quotation of national prices is unfair because of great variation of costs in different sections. See heading "Sell Shelter."

Uncertainty of Prospective Home Builders

Many people must be prepared at all times to accept employment opportunities in other parts of the country. Many are unable to accumulate a sufficient sum for down payment. Others fear loss of their jobs.

A 300 Year Old Speculative Attitude Toward All Real Estate Discourages Buyers

Prospects' friends who built in previous booms are soured on their purchases and spread their disaffection. Jerry builders exploited the field and have not yet been eliminated.

False Promises

Prospective buyers have been told repeatedly that they can soon buy a factory-made house for one-half the price they would have to pay for a house built by ordinary methods. They are still waiting.

Many Millions Don't Want to Build Modern Houses

They prefer to spend their money for other things.

On the Part of the Investor and Builder

Building Codes

Most building codes are obsolete and wander far afield from their original intent to prevent injury to health, safety and morals. One hundred and sixty building codes are 20 or more years old, 317 are from ten to 15 years old, 620 are from five to ten years old. Old age of code often prevents builder from taking advantage of modern methods and materials.

Formulation of New Codes Without Consulting All Interested Groups

Interested groups such as Chambers of Commerce, architects and others frequently permit drawing up of building codes by politicians and

(Continued on page 61)

DO EXPERT MARKSMEN FIND THAT CAMEL'S COSTLIER TOBACCOS MAKE A DIFFERENCE?

"YES, SIR, in any bunch of expert shots — Camels are the favorite cigarette," says *Ransford Triggs*, one of the foremost marksmen in America. "Marksmen know that it takes steady nerves to make high scores. And the fact that Camels don't frazzle my nerves goes over big with me. I smoke plenty of Camels every day, too."

And millions of other people — the most loyal group of smokers in the world — put their "O. K." on Camels too — making Camels the largest-selling cigarette in America

TAKING X-RAYS is a delicate job—and a tiring one too. But as Miss *Myrtle Sawler*, X-ray technician, says: "When I'm tired, a Camel refreshes me. I get a 'lift' with a Camel."



"I'M HANDLING money by thousands," says bank teller, *John McMahon*. "Jittery nerves don't fit in with this work. So it's Camels for me."

HOME economist, *Elizabeth May*, says: "There's a world of comfort in smoking Camels 'for digestion's sake,' at mealtimes."



{ABOVE}
Head-on view of *Ransford Triggs* on the firing line. His .22 calibre rifle is equipped with hand-made sights. He uses the sighting 'scope beside him to help get his sights set exactly for the centre of the bull's-eye. The glove helps protect his hand.

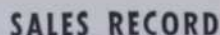


Camel pays millions more for **COSTLIER TOBACCOS!** Camels are a matchless blend of finer, **MORE EXPENSIVE TOBACCOS** — Turkish and Domestic.

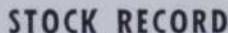
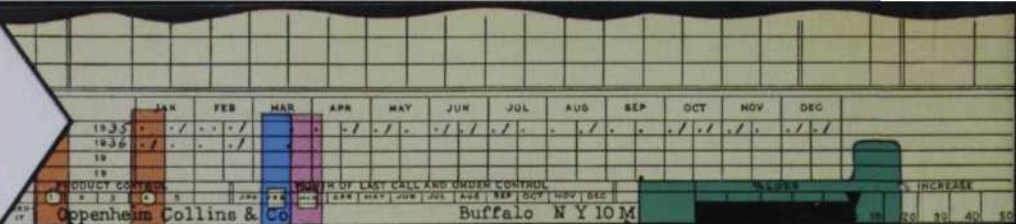
Copyright, 1937, R. J. Reynolds Tobacco Company, Winston-Salem, N. C.

CAMELS

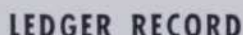
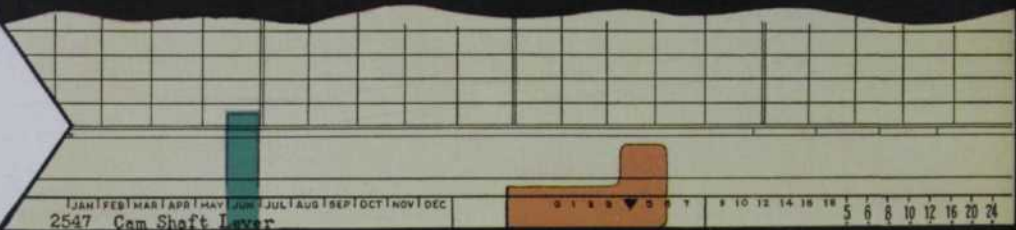
THE LARGEST-SELLING
CIGARETTE IN AMERICA



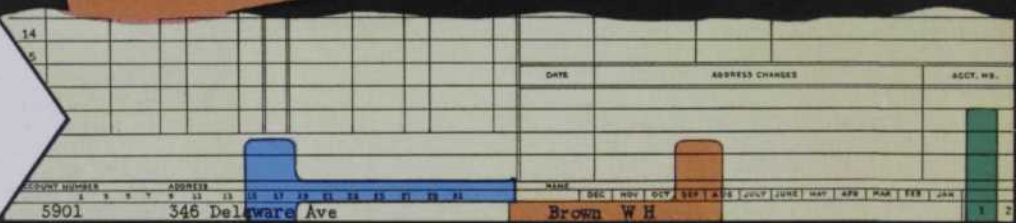
Progressive green signal over a printed color block (at right) indicates percentage of increase or loss over quota (or last year). Signals at left indicate products, date of last call, last order.



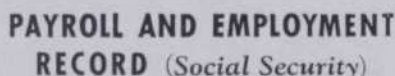
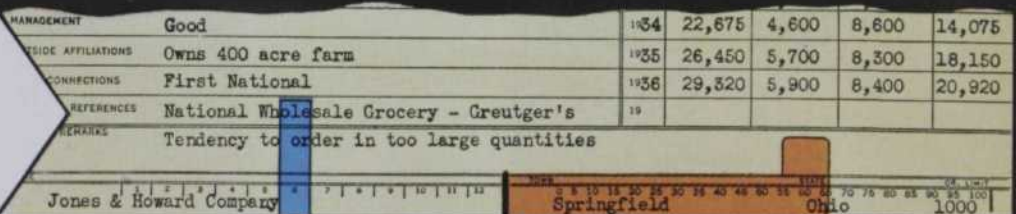
Progressive orange signal at right indicates number of weeks' supply on hand. Warns against under and over-stocking. Green signal at left indicates month item ordered.



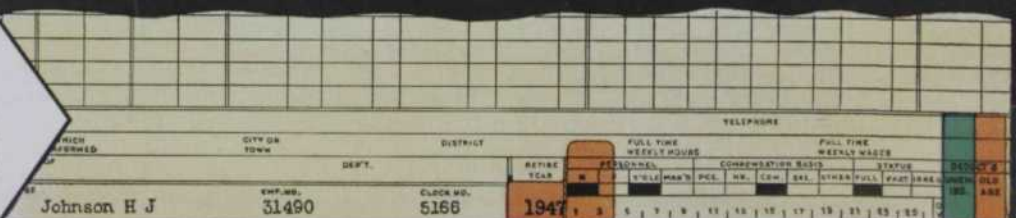
Orange progressive signal at right indicates month to which account has been paid. Blue progressive signal at left shows follow-up day. Green signal at right indicates credit condition of account.



Progressive orange signal shows percentage of credit limit currently outstanding. Color of signal at left indicates year, and its position, the month when financial statement from customer was last received.



Progressive orange signal indicates weeks of unemployment of an individual during a specific period. Signals at right show individual's tax status. Simplifies Social Security and Unemployment Insurance reporting.





IMPROVED KARDEX CABINET

New design, additional card capacity, easy posting feature the modern Kardex cabinet. Instant visible signalling for sales, credit, inventory control.

Combines advantage of vertical filing with visible signal control and finding speed. On ledgers, speeds up collections.



KARDEX BOOK UNIT CONTROL

for as little as \$3. Fully adequate for the small business. Suited to large business executive summary control or for work in the field.

EDGE"

want to know



NEW KARDEX ON WHEELS

New portable unit on wheels brings records to executive's desk or department for dictation or discussions. Large capacity, one file can often contain complete records of one phase of business always handy for ready reference. Lock cover. Can be wheeled into vault at night.

How newest Kardex inventions simplify business control... save time and money

Of course you're busy! That's why it will be money in your pocket to discover and apply the simple truths of Kardex to your business.

Thousands of executives for the first time in their careers find that they can get a quick, clear picture of any situation from sales to social security, merely by glancing at the famous Kardex "tell tale edge."

Never before has management been offered the means to such complete control of their business. Unique Kardex developments provide amazing new features.

Check these new Kardex developments

DESK-SIDE CONTROL . . . with Kardex records in a portable cabinet.

CONTROL FOR THE SMALL BUSINESS . . . with Kardex records in a compact book unit.

COLLECTION CONTROL . . . speeded by combining the advantages of vertical and visible filing.

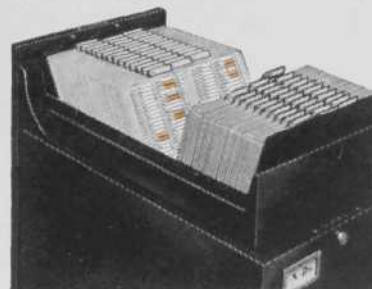
REFERENCE CONTROL . . . new, fast, flexible and economical devices.

To get the complete story of how improved Kardex can profitably serve your business, phone the Remington Rand man in your city, or mail the coupon.

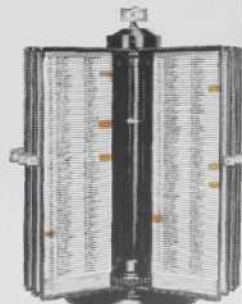
IMPROVED VISIBLE REFERENCE EQUIPMENT



KARDEX CHAININDEX speeds reference by concentrating large number of listings in very small space. Forms interlock with each other and with the pockets in which they're held.



VERTICAL "IVI" a new visible reference record offers great housing flexibility. Cards are die-cut to fit on tracks of aluminum panels. Panels come in letter, legal and ledger sizes. Furnished in insulated or unprotected equipment.



KARDEX TUBE EQUIPMENT . . . Paper strips fit in tubes of transparent celluloid. Frames with "tubes" inserted hang on rotaries (above), desk stands or wall brackets.

MAIL COUPON TODAY

Ok..it's from **Remington Rand**

Remington Rand Inc., Dept. G-41
465 Washington Street, Buffalo, N. Y.

Without obligation, please send me complete details on the items checked:
☐ Sales Record; ☐ Stock Record; ☐ Ledger Record; ☐ Credit and Collection Record; ☐ Payroll and Employment Record; ☐ Kardex Cabinet; ☐ Kardex Vertical Visible; ☐ Kardex Book Unit Control; ☐ Kardex on Wheels; ☐ Kardex Chainindex; ☐ Vertical "IVI"; ☐ Kardex Tube Equipment.

Name

Street Address

Automatic Electric
Control Devices

THE ANSWER

THE PROBLEM

To obtain a weld
of uniformly
high quality



ELECTRICAL CONTROL

Gives a Perfect Weld Every Time

Here is a typical example of how Automatic Electric's engineers use electrical control of production machinery to improve quality of output.

To weld a tiny spot of precious metal to a nickel silver spring requires the most delicate control of time and temperature—a control altogether beyond the range of human hands and eyes. Automatic Electric's engineers were called in to study the problem. They found the solution in the adaptation of Automatic Electric control devices to govern the strength and timing of the welding current.

This specialized service which Automatic Electric's engineers offer in the adaptation of electrical devices to industrial processes is an outgrowth of

their long experience in the development of automatic telephony—the world's outstanding example of electrical control applied to a basic industry.

Today, they are employing the same principles and devices which made the automatic telephone a marvel of speed and precision to reduce costs and improve quality in industrial production.

Adaptation of these devices and principles to *your* production processes offers possibilities which you should not overlook. Automatic Electric's engineers will be glad to look into your problems and make definite recommendations.

Address: American Automatic Electric Sales Company, 1033 West Van Buren Street, Chicago, Distributor for Products of:

AUTOMATIC ELECTRIC COMPANY
CHICAGO, U. S. A.

Originators of The  *Automatic Telephone*

YOU CAN DO IT BETTER WITH ELECTRICAL CONTROL

labor representatives without trying to protect their own interests.

Codes Often Add to Cost

Certain provisions of codes are frequently inserted merely to increase amount of labor or material required.

Population Shifts Within City Area

Most residential building today is in suburban areas because zoning ordinances offer little protection in urban areas.

High Real Estate Taxes

Seventy-five per cent of all real estate income is needed to meet the requirements of the tax collector. Billions of dollars of real estate produces no income, but is taxed never-the-less. Taxes often amount to \$2.50 to \$7.00 a room a month—no provision is made to adjust the tax to constantly changing values.

Cost of installation of roads,

sewers, etc., is too high. For example, the contract price for two streets in Baltimore was \$154,000. If the bill had not been paid from current funds the interest over 40 years would have been \$247,000, making total for taxpayer \$401,000. City streets have to be repaved every 20 years and many have been repaved twice by time initial cost has been paid.

Other Causes

Business uncertainty. Unemployment. Depletion of family reserves.

How Can Building Be Stimulated?

Improve Building Codes

A basic code for entire country should be written. The Wisconsin model law on building codes could be studied as a possible example for procedure in other states.

Stabilize Residential Areas

Building projects should be planned to cover a large area with controlled restrictions. The National Association of Real Estate Boards has suggested a model statute which would permit organization of neighborhoods within large cities. Particular attention should be given to rehabilitating once rich sections that are now in various stages of depreciation.

Tax Revision to Take Some Burden Off Real Estate

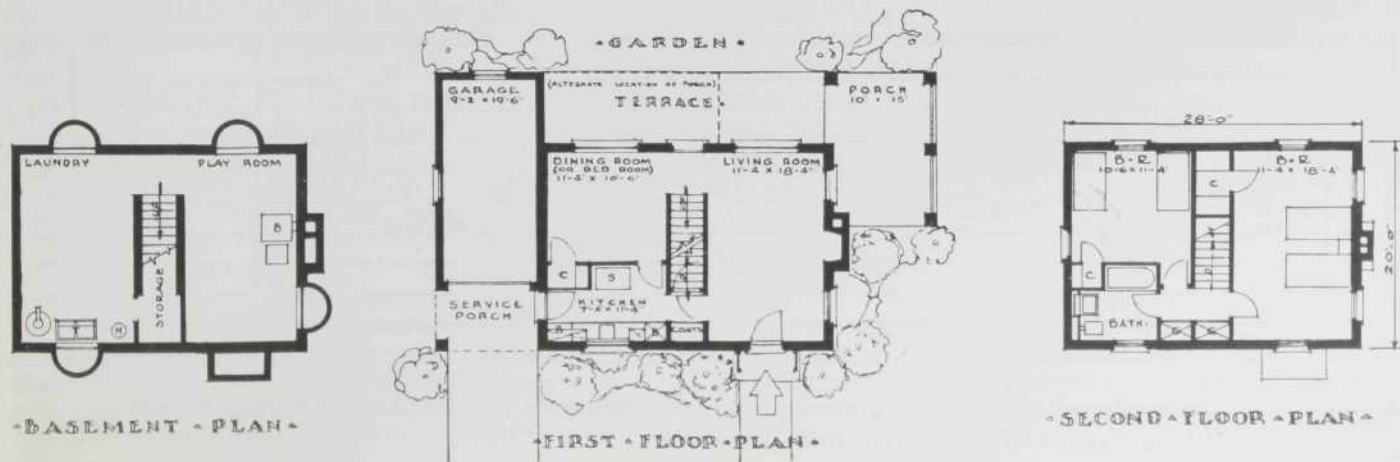
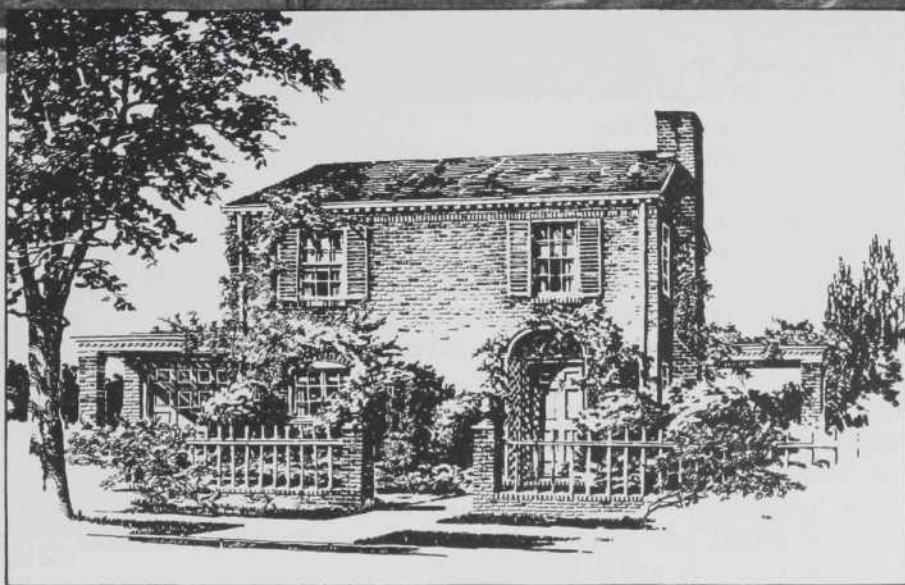
Real estate taxes pay nearly half the operating cost of government. Their share should be one-quarter, if real estate is to be treated as fairly as other forms of invested wealth. Burden on real estate should be limited to one and one-half per cent of its fair value in any one year. There should be a maximum limit for

(Continued on page 104)



This Meadville, Pa., rental project will provide 202 dwellings to rent at from \$7 to \$8 a room

House and plans by Geo. D. Conner which won the Structural Clay Products Institute award for small masonry house of original design



The Map of the Nation's Business

By FRANK GREENE



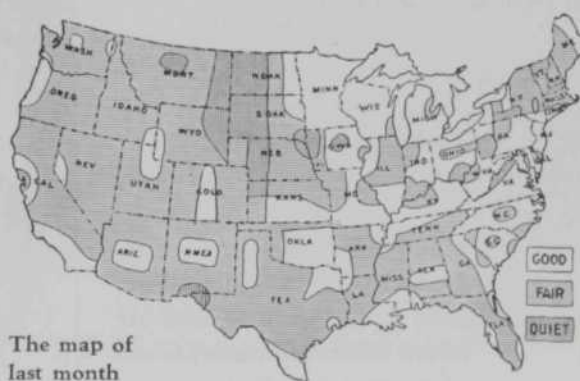
NOVEMBER saw a further slackening in production schedules and in distributive trade. Some of this was contrary to seasonal trend.

The steel industry seemed to lead in decreasing output, dropping in some instances to 30 per cent of capacity. Many cotton mills cut working time sharply, while some woolen mills were reported closed entirely. Carloadings showed heavy losses from a year ago and from earlier months. Electric power output fell off in many areas. Sharp contraction in employment was reported in various sections.

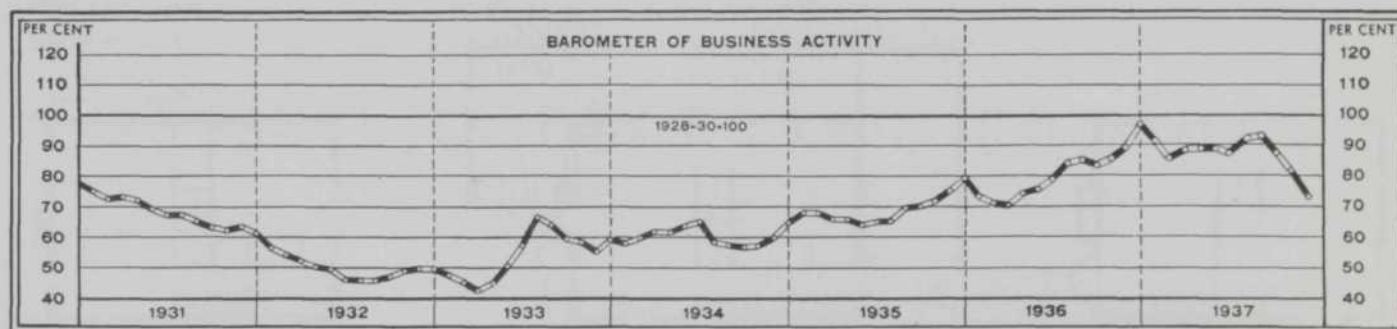
Failures increased in number and liabilities. The shrinkage in bank transactions also became more marked. The down trend in commodity prices was accelerated.

In the latter half of the month, however, a rather more cheerful feeling was in evidence. Holiday purchasing became more active and a levelling off seemed to set in.

Slowing down of regular wholesale and retail trade and manufacture is reflected in the map of conditions on December 1



The map of last month



BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

A combination of the downward trend in business and in the heavy industries during November finds reflection in another dip in the chart line

Were the First Ten Years the Hardest?

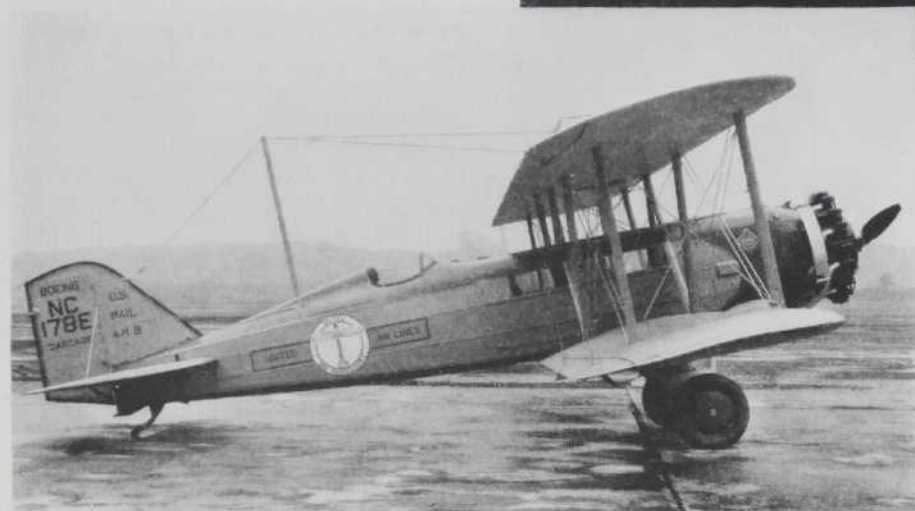
By W. A. PATTERSON

AT the end of its first decade the aviation industry pauses to consider how far it has come and where it is going in the years that still lie ahead

COAST-TO-COAST air travel has just marked its tenth anniversary. It was in 1927 that the New York-Chicago-California airway, operated for seven years by the Post Office Department as an air mail route, was taken over by predecessor divisions of our company with flying equipment which, for the first time, provided fa-



Passengers in today's 12-ton liner cross the continent in 15 hours



525 persons flew as passengers in this type of ship in 1927

cilities for passengers to be carried across the country in scheduled operations.

In the first year, 525 persons flew from coast to coast. They paid \$400 to make a trip that required 33 hours in small single-engined planes equipped with few of the extensive facilities in use today. United's passenger total for this year will reach a quarter of a million. The coast-to-coast passenger, paying less than half the 1927 fare, completes his trip in slightly more than 15 hours riding in the twin-engined 12-ton airliners furnished either with lounge chairs for day use or

with berths for overnight flights.

For each person who traveled by air ten years ago, 476 use scheduled planes today. Why has there been such a sharp increase in traffic? First, and perhaps foremost among the major factors which have contributed to air transport's growth, has been the technical progress achieved by the airlines and by companies allied with the industry.

When the carrying of passengers by air across the continent was begun, flying was largely a matter of the pilot and the plane. It was, so to speak, still in its "helmet and goggle" days.

Credit is due both the man and the machine for the outstanding pioneering job that was done during the early years of cross-continent scheduled flying.

But, from the first, airlines were quick to realize that the man and the machine together were inadequate for the job which had to be done if air transportation was to assume a front rank position as a major agency of transport and communication. These problems primarily related to safety, and the airlines concentrated their entire efforts toward their solution. Evidence that the job is being done well is afforded both by the operations records of modern airlines and by the comparatively rapid public acceptance of air transportation.

For instance, in 1927 when an airplane took off on a regular scheduled flight it was isolated completely until it reached its destination. Its pilot

was strictly on his own. There was no way of advising him of crucial weather changes occurring after his departure and of relaying to him other information of vital importance to the efficient operation of his schedule.

Communication made easy

NOW every airliner is equipped with radio facilities which makes it possible for pilots to talk in normal voice with the operator of the ground station scores, or even hundreds, of miles distant, reporting the position of the plane and giving other information concerning the flight that is invaluable to the ground organization.

In turn, the airline station and the Government-operated airways radio station give the pilot information on weather and other data that is essential to the dependable maintenance of airline schedules.

The directive beam is another vastly important radio aid to flying. Developed by the Government and established on the airways, the radio beam provides an invisible path of signals which mark the airway for pilots and planes in flight. The beams are transmitted from government sta-

gineers, cooperating with equipment manufacturers, have developed a system of positive and automatic landings of planes by radio and instrument that has been proven definitely successful. In fact, several thousand experimental landings of conventional type transport planes have been accomplished on this system, in all of which the pilots sat with their hands and feet completely off the controls.

The communications system is backed by a scientifically organized method of airway weather reporting and analysis handled both by the Government through the Department of Agriculture and the Department of Commerce, and by the airlines themselves. In the past ten years, much development has taken place toward positive airway weather reporting analysis and forecasting. In fact, the progress in this direction has contributed a great stimulus to the knowledge of weather generally and to facilities and practices used in connection with reporting and forecasting weather throughout the world.

As a result of all these developments and refinements in weather reporting and analysis, the airlines in the United States have overcome

was largely a case of the pilot calling up farmers ahead on his route and asking them what they thought about the weather as far as flying conditions were concerned.

Certain extraordinary weather conditions will doubtless always remain to interrupt airline service infrequently, just as abnormal weather even today interrupts surface transportation. However, with the successful demonstration that airlines have developed facilities permitting safe automatic instrument landings, the last major weather obstacle confronting the airlines will be overcome.

Mechanical equipment is excellent

IN EQUIPMENT also there has been outstanding progress. The modern twin-engined type transports are capable of maintaining flight with only one of their two engines in operation. This factor, coupled with the precision type of engines now in use, and the thorough maintenance programs of the airlines, has created an extraordinary high record of scheduled flying uninterrupted by mechanical difficulty.

With these and other aids, such as the automatic pilot, highly accurate navigating instruments and the like, the actual job of piloting has become a science rather than an art. The net result of technical advances has been to relieve the human pilots of much of the manual work of flying and allow them to devote the major portion of their time on duty to engineering and navigation.

Considerable emphasis has been placed upon this technical side of air transportation's development because of its inherent importance to the successful conduct of this business. As a matter of fact, each airline maintains a staff of engineers, technicians whose experience and ability qualifies them well for their important work. Their job is to explore the technical phases of the industry, constantly improving and refining existing facilities and developing new ones. Working behind the scenes, these men contribute their part to the unceasing effort to make air transportation's efficient record even more efficient.

These engineers in the airlines and in the equipment factories have given the industry the automatic pilot, constant speed propeller, precise navigating instruments and scores of other features which make modern flying scientific and clock-like in scheduled operations.

Despite the great record of the airlines with the thousands of passengers traveling daily over established airways, the employees are never satisfied; they are always striving toward greater efficiency. This spirit



Because travellers demand comfort in whatever form of transportation they use, the sleeper plane was necessary

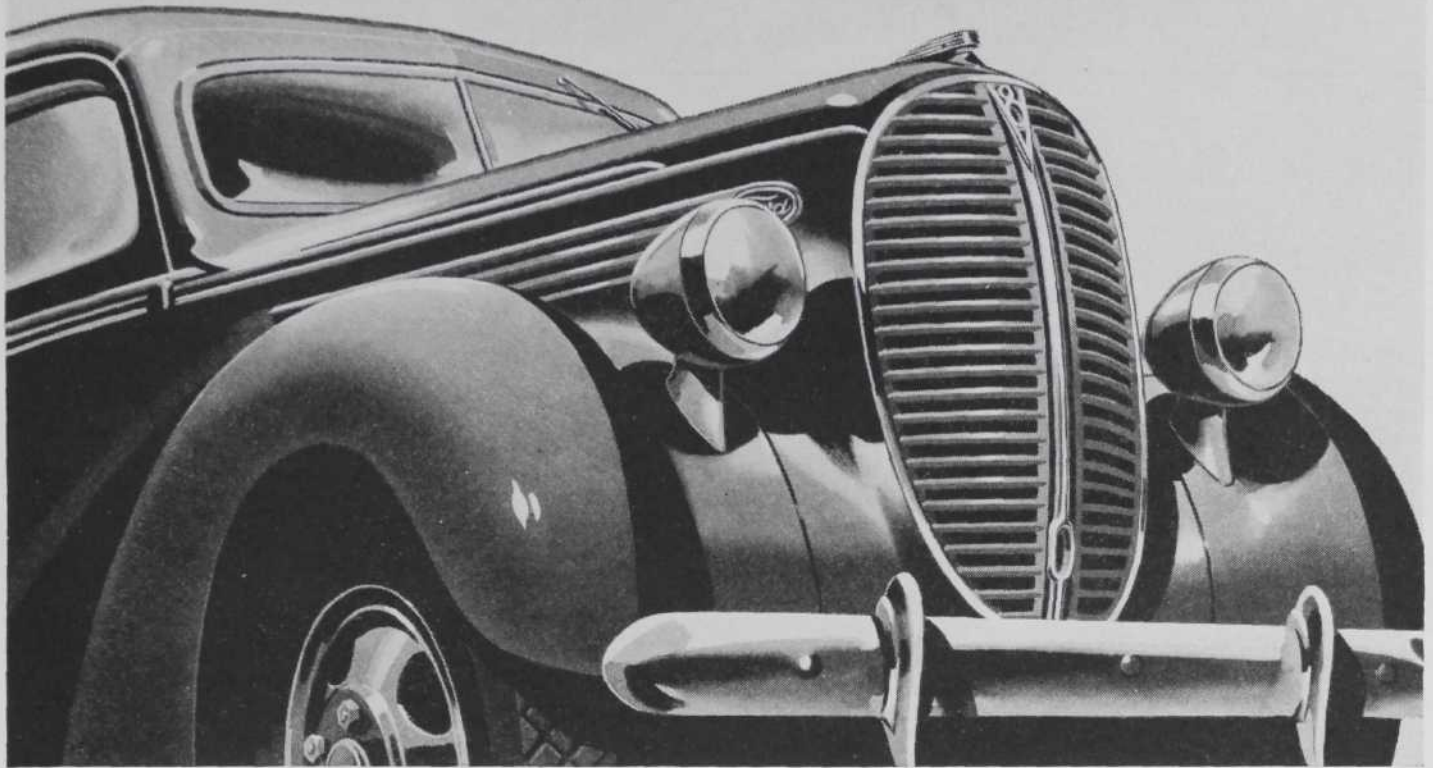
tions located at intervals along the routes and are supplemented with airway marker beacons which provide fixes, or points over which pilots definitely locate their position without having to refer to maps or terrain.

Radio instrument landings will complete the aircraft radio facilities for navigational purposes. Although practical use of instrument landing facilities in scheduled airway operation is still in the future, airline en-

many of the obstacles which once confronted them in the form of weather. That does not mean that the airlines are flying less conservatively than formerly. In fact, although our increased knowledge of the weather has enabled us to fly in conditions which were once considered unflyable, it is a fact that dependable airline operation in the United States is vastly more conservative today than in the pioneer days when weather reporting

PRESENTING THE 1938 LINE OF FORD V-8 TRUCKS

INCLUDING A NEW *One-Tonner*



FORD OFFERS WIDE RANGE. FAMOUS V-8 ENGINE BRINGS NEW ECONOMY TO LOADS IN ONE-TON RANGE

THE Ford Motor Company has built more than four million trucks. With this great background of experience, it means something to say that the 1938 Ford V-8 Trucks are the finest Ford has ever built.

Here is the widest range of types and sizes in all Ford history. The big 134-inch and 157-inch wheelbase Ford V-8 Trucks are designed to do the work of heavier, more expensive units—and do it faster, at lower cost. An entirely new line of 122-inch wheelbase one-ton trucks has been added to bridge the gap between the larger trucks and the new 112-inch


wheelbase commercial cars. For practically every hauling and delivery requirement there is now a unit that gives the high Ford standard of dependability and economy!

The 1938 line of trucks and commercial cars are all newly styled. They have an impressive new front end, a sturdy new grille, new headlamps, massive full-skirted fenders. Their smart, modern appearance is a definite asset to any business.

Other important advances for 1938 are a new 134-inch wheelbase in the big truck line . . . a new frame width for both the 134-inch and 157-inch

wheelbase units . . . 7.50—20 dual tire and wheel equipment available at extra cost . . . improved brakes and easier steering . . . stronger construction in vital parts.

The new one-tonners and the commercial cars offer a choice of the 85 or 60 horsepower V-8 engine.

Your Ford dealer invites you to see the new line—and to make an "on-the-job" test with your loads and your driver. 

LOW FIRST COST IS ONLY THE
START OF FORD ECONOMY

**FORD'S SEVENTH YEAR
OF V-8 SUCCESS**

is responsible to a large extent for the high operating record of airlines in the United States.

Several other factors have contributed to this great increase in air traffic since the pioneering days. Schedules are operated on a clock-like basis and there are enough of them to provide a frequency of service that makes air travel more attractive. On top of that, fares have been steadily revised downward. The pioneering rates used to be approximately 12 cents a mile. Today the average fare of airlines in this country is slightly more than five cents a mile, and even lower when volume air travel plans, made available to companies, are used.

Another point which has operated to increase the volume of traffic is the

provision for comfort. The traveler in this country has come to expect comfort in whatever mode of transportation he may use. Air transport did not become really popular until it provided comfort that enabled the traveler to take advantage of the airplane's time-saving feature without having to subject himself to inconvenience and discomfort.

For instance, flying during the daylight hours today, the air traveler relaxes in a large upholstered chair in a quiet, sound-proofed cabin which is well ventilated or heated, as the occasion requires, and at mealtimes is served a hot *a la carte* meal by the stewardess. At night he flies on sleeper planes in which full size berths make possible a comfortable night's sleep.

Probably the greatest single factor, however, in increasing passenger business has been the education of the traveling public to the advances of air transportation through all possible channels. The airlines have faced a natural problem in merchandising—that of introducing a new product to the public. As with every innovation, a considerable amount of educational work is necessary to pave the way for public acceptance.

Because the average American is interested in aviation and because channels of public information are conveying as much information as possible to the public, the average citizen has become well informed on the subject of airline progress in the past few years.

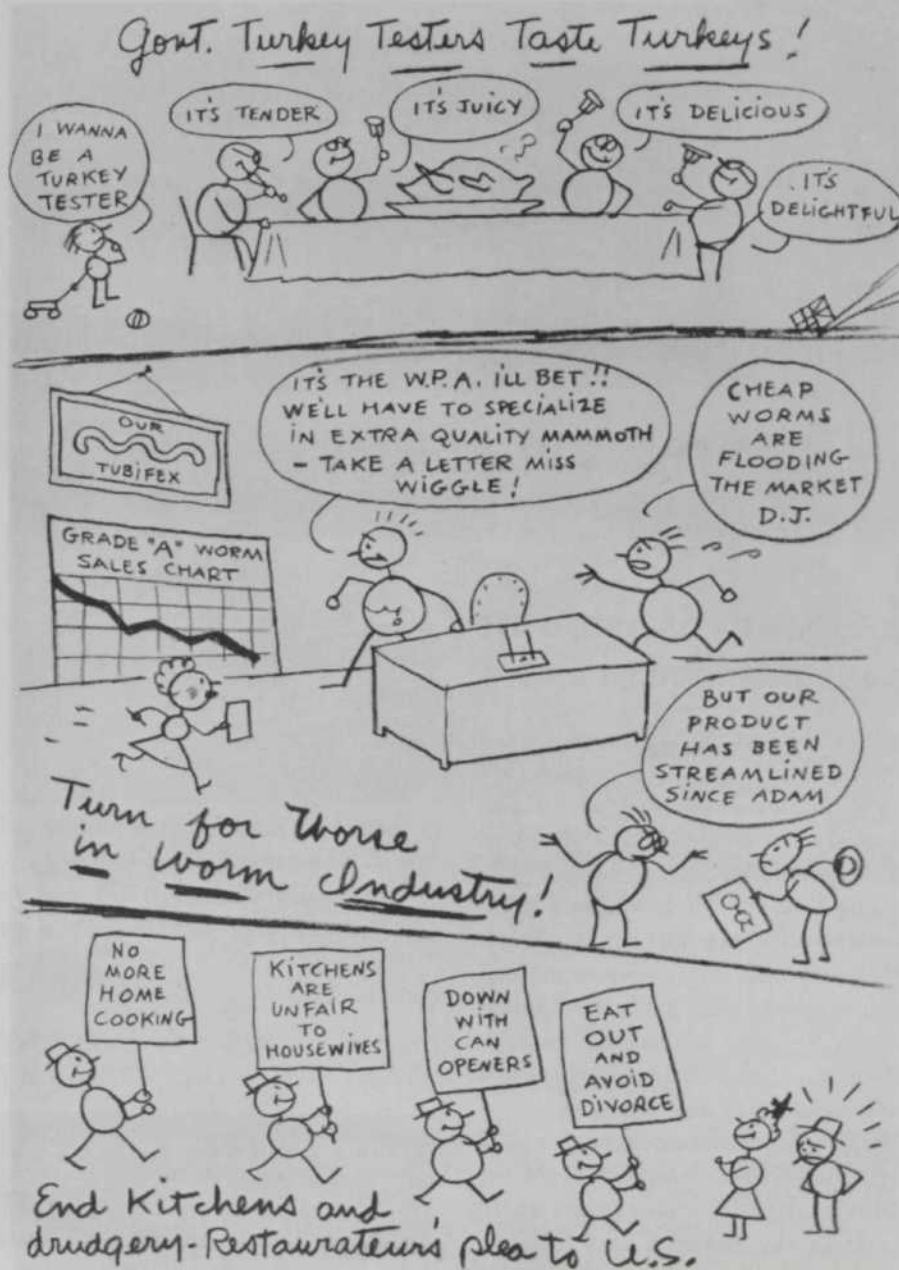
A great deal of educational work remains to be done by the airlines to overcome a resistance to flying based upon unfamiliarity with the present standards of service. Thus far the lines have concentrated their efforts in business fields, because it is here that the advantages of air travel are most evident. In the final analysis, airlines are selling speed—speed, of course, that is properly packaged with comfort, made attractive by frequent and convenient schedules, and insured by dependable and efficient operations.

Manifestly, the fact that it is possible to fly, for example, from New York to California without the loss of a single business hour, is much more interesting to a business man than to a person traveling for pleasure. Therefore, it has been to the business man, by whom time-saving can be translated into actual profit, that air travel has particularly appealed. The airlines have recognized the situation in a number of ways, among them is the Volume Travel Plan which affords a substantial discount on regulation fares to companies whose officials and representatives travel regularly. As a result, business travel is the "back log" of air traffic and it is estimated that approximately 75 per cent of the total of 1,250,000 persons traveling by air in 1937 were business travelers.

It is significant, however, that this percentage is less than formerly. As a result of the recent improvements in comfort, coupled with lower fares, air travel today presents a much greater appeal to women and to other classes of travelers than in years gone by. Consequently, the airlines have been broadening their promotional work, especially in preparation for the advent of the 40-passenger planes which are now in prospect.

Aside from the point of dependable operations, which must always be the cardinal objective of airline management, perhaps the outstanding problem confronting air transportation to-

From a Business Man's Scratch Pad . . . No. 21





WHAT CAST IRON PIPE MEANS TO THE TAXPAYER

BOND issues for public improvements such as water mains represent money borrowed by the taxpayers of the community. Their retirement with interest must be met out of taxes or rates. If the water mains are of *cast iron pipe* your public officials know that they will be as good as new when the last bond is retired—good, in fact, for a century. If the mains are of a *substitute material* you may have to share the expense of replacing them plus the heavy cost of installation and street repairs. Substitute materials in some cases have not lasted as long as the term of the bonds issued to pay for them.

Because cast iron pipe costs less per service year

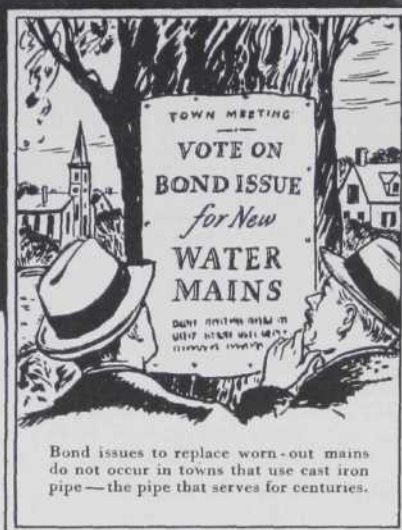
and least to maintain, it is the standard material for underground mains. Its useful life is more than a century. It is the only ferrous metal pipe, practicable for water mains, gas mains and sewer construction, which rust does not destroy. Made in diameters from 1¼ to 84 inches.

CAST IRON PIPE

FAITHFUL SERVANT OF THE PUBLIC



Trademark Reg.



Mr. Executive

your Pay will be \$28 a week!



Suppose your pay were cut tomorrow to \$28. That's all you'd have to provide comfortable shelter, wholesome food, warm clothing, entertainment for your family. Could you do it?

Little left for reserves

Sure, if you had to. Aren't millions of workers raising families they can be proud of on even less than that weekly wage? But you'd have precious little left for reserves—"reserves for contingencies" as your treasurer would put it. Neither do those millions of wage workers.

When the unexpected happens—when they suddenly need an unusually large amount of cash to meet an emergency—they've got to borrow. But where? They can hardly ask their friends whose incomes are no greater than their own. At a bank? Most banks require collateral which they don't possess, or co-makers which they cannot obtain.

Credit for wage workers

To supply the credit needs of workers in the low income brackets is the function of the modern small loan company like Household Finance. Here responsible persons can borrow at reasonable cost—and without sacrifice of pride or privacy. Last year Household Finance made helpful loans to over half a million families.

Promoting money management

To these families Household also gave helpful guidance in money management and better buy-manship—showed them how to get more out of limited incomes. Household's practical publications, developed to facilitate this work, are now used in more than a thousand schools and colleges.

Executives interested in the welfare of their employes will find samples of these helpful publications and the story of Household's money service interesting and revealing. The convenient coupon below will bring you both without obligation. Why don't you send it today?

HOUSEHOLD FINANCE

CORPORATION and Subsidiaries
"Doctor of Family Finances"

one of America's leading family finance organizations, with 228 branches in 148 cities

HOUSEHOLD FINANCE CORPORATION, Dept. NB-1
919 N. Michigan Ave., Chicago, Ill.

Please mail me without obligation full information on Household Finance's family reconstruction program.

Name _____

Address _____

City _____ State _____

day is the completion of its transition from the pioneering days when it was popularly known as a "game" to a well established, economically sound transportation business.

There are a number of valid reasons why airlines have not been operating at a profit.

First, the oldest airlines in this country have only been operating approximately ten years. The air passenger service as we know it today has only had a span of approximately six years and the mushroom growth in traffic has been expensive because of the need for training organizations and providing adequate depot facilities. The airlines have spent large sums to meet this need and today they have a ground organization and investment which could handle double or triple the traffic now carried.

Contrast a large domestic airline with a comparable organization in Europe. Abroad the airline has a monopoly and not only avoids the loss of revenue which would go to competitive lines but receives, generally speaking, far greater pay per pound-mile for carrying mail than do major airlines in the United States.

There is no such thing as monopoly in the air transport in the United States. For instance; between Chicago and New York three competing lines offer 21 round trip flights a day. The traveler between the East and the Pacific Coast has his choice of three lines, and there are few major points in the United States which cannot be reached by a combination of direct or connecting airlines.

As the airlines have been improving their service, the Government has radically reduced the pay for transporting air mails, when you use the yardstick of the pound-mile.

Obsolescence is swift

SWIFT technical advances in size, speed and operating efficiency of airplanes make obsolescence a major factor in air transportation costs. United Air Lines and predecessor companies alone invested \$10,000,000 in flying equipment in the past five years. Airplanes become obsolete rather than depreciated because the modern plane is so sound structurally that it would be flyable many years after aeronautical progress has left it behind.

From the standpoint of airline patrons—users of air mail, express and passenger service—airline employees, stockholders, and airline management, there is a vital need for new federal legislation to remedy existing situations which are unfair to the public as well as to the air transport companies.

Congress will soon vote on the Mc-

Carran-Lea bill which proposes to extend to the Interstate Commerce Commission regulatory powers over air transportation generally similar in application to powers now exercised over rail and motor transportation. This bill follows the program recommended by the President in messages to Congress dealing with the coordination of all transportation. It also provides for certificates of convenience and necessity covering non-mail carrying airlines, as well as mail carriers. It sets up the Interstate Commerce Commission as an impartial tribunal before which any community may make its demand for air transport service, the same to be ordered, if warranted, on the basis of sound economies.

The bill follows the recommendations of the President's Federal Aviation Commission in placing no legal limit on the growth of air transport; in providing government supervision of airline financing; in providing governmental regulation of all rates, and in preserving the effectiveness of competition in the public interest. It leaves the Post Office Department full authority over the air mail service.

Such legislation would permit orderly air transport expansion and at the same time give the airline business a stability which would attract new capital, a necessity for any business that has shown such consistent gains as air transportation.

The need for legislation of this type is illustrated by the airlines' immediate problem of putting into service late in 1938 40-passenger type equipment now being built. This equipment doubles the payload of present airplanes without a corresponding increase in cost of operation. These planes, let us say, operating on a two-stop 14-hour coast-to-coast schedule, will be supplemented by the existing twin-engined fleets which will service intermediate cities feeding into the 40-passenger plane at key division stops.

Incidentally, this 30-ton, four-engined plane, with a wing span of 138 feet, presents a real problem from the standpoint of airports, as runways of 5,000 feet will be required. In preparation for this equipment the major airports are already lengthening runways and expanding their facilities.

The coming of the four-motored transport plane will mark the completion of the transition of airlines from the pioneering of a decade ago to their rightful position as a first-rank system of transportation, and will enable them creditably to take their place along with their older brothers in the transportation business. Air transportation enters upon its second decade with every prospect that the first was the hardest.



Sleep tight, precious mite .. and SAFELY

She is too young to fear the fire demon; too young to appreciate the safety she enjoys because the electric wiring system in her home was made and installed under rigid standards. Her parents probably do not realize they owe this safety to the activities of capital stock* fire insurance companies in cooperation with manufacturers, public utilities, municipal authorities and others.

The use of approved wiring is but one example of the many ways everybody in this country benefits directly or

indirectly by the varied public-service activities of the National Board of Fire Underwriters, the nation-wide organization of some 200 capital stock fire insurance companies.

Most people are amazed to learn that those companies do so much toward making life safer. Yet, capital stock

fire insurance has a vital interest in public safety. And, it sees its natural duty as two-fold: not only to provide dependable protection against uncertain loss but also to help conserve life and property by preventive methods.

THE NATIONAL BOARD OF FIRE UNDERWRITERS
85 John Street, New York

Nat'l organization of Capital Stock Fire Insurance Companies



*CAPITAL STOCK COMPANY Fire Insurance

provides sound protection at a pre-determined cost, without risk of assessment to the policyholder. Its promise is backed not merely by legal reserves but by capital stock and a surplus to meet both normal expected losses and those that are abnormal and uncertain... even extreme losses due to conflagrations.



The Nation's Wealth is the



Saving Life and Property A Public Works project . . . part of a twelve-mile levee-building job in the Sacramento Valley, California.—moving a million and a quarter cubic yards of earth with "Caterpillar" Diesel-powered equipment at a fraction of the former power cost. (This D8 Diesel track-type Tractor consumes only 4½ gallons of 6-cent fuel per hour.)

CATERPILLAR DIESEL

REG. U.S. PAT. OFF.

Nation's Business

LOW-COST "CATERPILLAR" DIESEL POWER SPEEDS CONSERVATION PROJECTS, WIDENS THEIR SCOPE . . . INCREASES OPPORTUNITIES AND PROFITS FOR ITS USERS

Working with ingenious equipment and frugally using one of the cheapest of fuels, "Caterpillar" Diesel track-type Tractors bank up mighty flood-control levees. . . Carve fire-fighting trails along forest-covered mountains. . . Rip through fields to form soil-conserving terraces. . . Perform scores of tasks too heavy for man or beast, too slow or costly with other types of power.

With similar economy, "Caterpillar" Diesel Engines drive drills to build storage-dams. . . Power excavators to construct aqueducts. . . Pump life-giving water to drought-stricken crops.

With Diesel power, as perfected by "Caterpillar," private and public projects dreamed of but considered impossible a few years ago are not only feasible today . . . but cost comparatively little in time and money.

Not only in ultimate benefits, but in its immediate application does "Caterpillar" Diesel power mean new wealth. Through its decisive economy over other types of power . . . through its versatility and dependability . . . through the new power jobs it creates and the old ones it handles more efficiently—it means GREATER PROFITS to those who use it. *Farmer, construction contractor, mine operator, oil driller, lumberman, cotton ginner, mill owner—to each it is a vital, modern, money-making implement.*

"Caterpillar" dealers have a world of facts and figures on power work like yours.

CATERPILLAR TRACTOR CO., PEORIA, ILL.



Saving Forests "Benching out" a fire-control road in Wyoming's Smoke River Mountain Range with a "Caterpillar" Diesel track-type Tractor equipped with bulldozer. Engine consumes only two gallons of low-cost Diesel fuel per hour.



Saving Crops in California. An 80-horsepower "Caterpillar" Diesel Engine operating a deep-well pump delivering 1200 gallons of irrigation water per minute. Runs eleven hours a day on only a dollar's worth of fuel. (Owner estimates savings of about \$900 a year compared with type of power his neighbor uses.)



Saving Soil Field terracing in Oconee County, South Carolina—a modern method of moisture conservation and preventing soil erosion. "Caterpillar" Diesel track-type Tractor.

POWER

Associations Are Public Benefactors

By PHILIP P. GOTT



A home building campaign by the Lumber Ass'n attracted thousands of buyers. Below: Parades featured the Paint Ass'n Clean-Up campaign



TRADE associations in the United States are distinctly American institutions, molded in accordance with our democratic form of government and our competitive economic system. Basically, their objectives have changed little in the past 30 years. On the other hand, each shift of economic breezes has changed the emphasis given to different objectives of trade associations.

During the World War, their major objective was to help win the War. The depression which brought forward the National Industrial Recovery Act, again found the associations ready

WHAT American industries can do when they link their own objectives with a broad conception of public service is demonstrated by the work of Trade Associations

to cooperate with the Government in an effort to increase employment and attain business stability.

Each industry, however, has its peculiar problems. Business men recognize the complexity of their respective industries and the innumerable factors in other fields which may directly affect their own. They realize that any attempt to prescribe a single program to synchronize the wheels of all industry by government edict will unbalance the delicate mechanism.

Trade associations, adequately financed and properly managed, aim both to increase the efficiency of our economic system and to maintain democratic principles of government by means of group action where all the factors associated with each economic problem may be sifted out and properly adjusted.

In the broad range of social and economic progress, the work of trade as-



The Trucking Association used floats to demonstrate its interest in highway safety and courtesy



3996 ITEMS PER HOUR

Miss Catherine Norwood of Baltimore demonstrates speed of the Underwood Sundstrand in stop-watch test and in the presence of two witnesses.



5192 ITEMS PER HOUR

Miss Lillian Dietzman of Philadelphia operating an Underwood Sundstrand. The stop-watches registered more than 86 items per minute. Note that her eyes are on the work — only her right hand is on the keyboard.

They keep their EYES on the WORK instead of the Keyboard



4140 ITEMS PER HOUR—and no mistakes!

Mr. W. M. Williams of Atlanta, Georgia, Underwood Sundstrand operator for well-known farm machinery manufacturer, demonstrates accuracy as well as speed of the Underwood Sundstrand. Another certified stop-watch test.

CONSIDER not only the *speed* of the Underwood Sundstrand. Think of the ease of operation—the saving of eye-strain—the freedom from head-swinging fatigue. On this most modern of adding-figuring machines, there's no need to swing your head from keyboard to work. One hand stays on the simplified ten-key keyboard. The other hand and the eyes follow the work!

Simple as ABC, the Underwood Sundstrand adds, subtracts, multiplies and divides with an ease that is astounding, particularly to those who know the complexities of outmoded machines. With only ten numeral keys to operate, touch-figuring develops naturally. It is not an art to be acquired. It is simply a habit

that you adopt, and in an incredibly short period of time.

Let us demonstrate the new Underwood Sundstrand on your own work in your own office using your own operator. We believe you will find it to be 15% to 25% faster and so much easier and pleasanter to operate that you will want to switch to an Underwood Sundstrand immediately. There is a manually or electrically oper-

ated Underwood Sundstrand for every adding-figuring purpose.

Write or telephone our nearest Branch for a free trial today. Every Underwood Sundstrand machine is backed by nationwide, company-owned service facilities.

Adding Machine Division

UNDERWOOD ELLIOTT FISHER COMPANY
Adding Machines... Typewriters... Accounting Machines... Carbon Paper, Ribbons and other Supplies
One Park Avenue, New York, N. Y.

Sales and Service Everywhere

Underwood Elliott Fisher Speeds the World's Business



15% to 25% faster!

Copyright, 1937,
Underwood Elliott
& Fisher Co.

Underwood Sundstrand

ADDING-FIGURING MACHINES

sociations is particularly significant. Their activities tend to make available better goods at lower prices. Their technical research programs have resulted in production of better products of more uniform character. Their educational programs have resulted in increasing the efficiency of employees. Trade associations are recognized as one of the most important agencies for adult education.

The effectiveness of self-developed solutions is aptly illustrated by examples of trade association work carried on in the public interest as announced by the Jury of Award of the American Trade Association Executives.

Encouraging home owners

THE Award was presented to the National Lumber Manufacturers Association, a federation of 16 regional associations representing all the important producing areas in the United States. The aim of its program was to demonstrate visibly that almost any family with a dependable income, however small, can buy and own a good home. This nation-wide movement involved the mobilization and coordination of the building industry to provide well designed, well constructed small homes of standard materials at prices ranging from \$1,500 to \$5,000, thus creating a wider market for lumber and timber products.

It had as its fundamental objective the welfare of the public: the creation of a happier and more normal home life. Building material dealers and builders—3,000 in more than 1,000 communities in 48 states—were mobilized to build more than 2,000 Demonstration Small Homes. This program is evidence that organized industry—in this case closely cooperating with the Government—can and will squarely meet a critical national problem.

A program of community welfare was carried on by the National Paint, Varnish and Lacquer Association, Inc., in its Clean-up and Paint-up Campaign.

The first and most important product of the campaign is better citizenship and a keener realization of its responsibilities. Despite its undisputed importance to business men, business, as far as the Clean-up and Paint-up Campaign is concerned, is merely a by-product.

A long list of things which the campaign does is included in the brief:

All classes in the community learn to work and play together; streets and alleys are cleaned up; causes of fire are eliminated; disorderly lots are turned into playgrounds; public buildings are renovated; homes are beautified; health is promoted; property values are increased; cities are advertised; building

repairs and alterations are started and real estate values are stabilized; employment is increased.

No critic of business can find in the ideals which motivated this quarter-of-a-century program the elements of greed, avarice, or inhumanism.

"That which is not in the public interest is not in the interest of business" might well epitomize the attitude of the Automobile Manufacturers Association with respect to its program on highway safety, for which it received a Certificate of Honor.

The chronology of the achievements of the Association during 1936 in its highway safety program may be summarized as follows:

It adopted definite highway safety policies.

It expanded its Safety Traffic Committee and developed its program supporting public officials.

It developed an inter-industry program through collaboration with other organizations.

It established a \$5,000,000 budget for 1936 disbursed in grants to national safety organizations for the development and promotion of proven techniques in highway accident reduction.

It enlisted national organizations with total membership exceeding 8,000,000 persons in integrated accident reduction program.

It organized the Automotive Safety Foundation, Inc., with an initial annual budget of \$500,000 to carry on a seven-point program.

The seven points in the program are:

Education; Motor Vehicle Administration; Legislation; Enforcement; Engineering; Technical Personnel Training; Research.

Many activities for truckers

THE American Trucking Association, Inc., is a federation of associations, comprising 52 state and local truck organizations with at least one in almost every state. Born with the "New Deal," the latter Association is a product of the National Recovery Administration. Under the trucking code, approximately 200,000 truck owners, classed as "for hire" operators, were registered.

The passing of the "Blue Eagle" did not disrupt the Association.

In contrast with some of the other briefs which describe the achievements incident to a single activity, the Trucking Associations presented an array of activities.

The public relations activities of the Association were focused on two problems—a lack of understanding of new laws and regulations and the evident prejudice on the part of the public, public officials and other industries. The Association started its own newspaper. Today, *Transport Topics* is the only national weekly

newspaper in the field of trucking.

The Association contends that one of its productive sources of publicity is its "Monthly Statistics of Truck Loadings." These figures, gathered from leading motor carriers, show the national trend in the movement of freight by motor truck.

The new industry also has faced difficult technical problems. Some 55 traffic experts compiled a national motor freight classification to promote uniformity within the industry. Today the classification is accepted by 3,644 motor carriers.

A uniform bill of lading covering conditions of shipment was developed. Machinery has been set up by which the motor carriers themselves may iron out rate conflicts and discriminations. Efforts have been made to simplify motor traffic bureau procedure which will eliminate duplication and conflict.

The Jury of Award particularly recognized the long-range program of the Association in promoting highway safety. More than 1,400 truck owners, operating about 20,000 vehicles, participated in the last safety contest. Awards have been made to drivers who have driven one or more years without an accident.

The Association has cooperated with the American Red Cross in developing plans which will speed mobilization of equipment and personnel in any emergency. A program of first-aid training for drivers has been initiated.

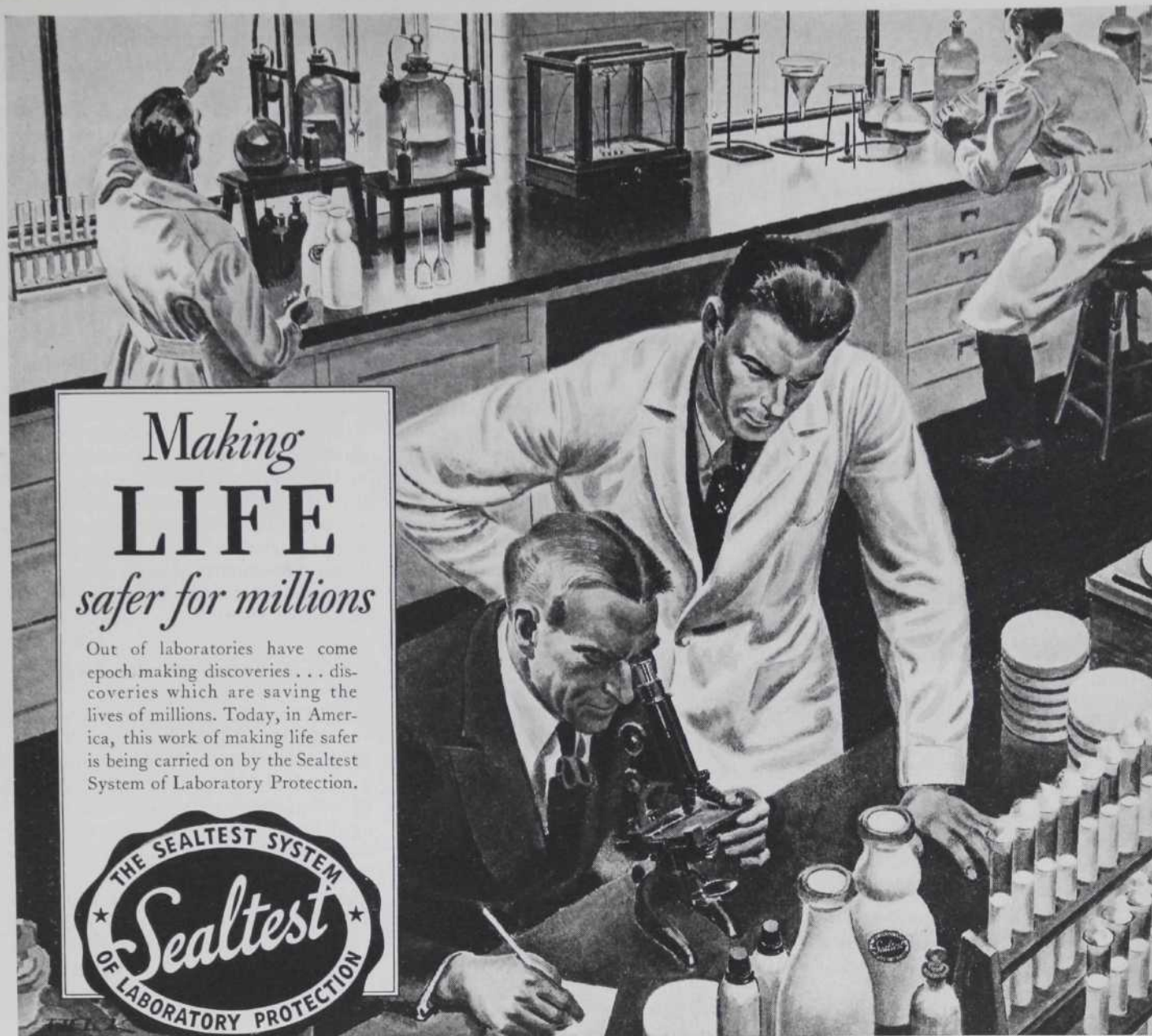
Like all government-regulated industries, this one has its share of legal problems. The legal activities of the Association fall into two groups.

The first includes administrative assistance to truck operators in connection with federal and state motor carrier regulations.

The second group of legal activities involves active participation and the preparation of material which members of the industry may desire for use in litigation. The Association cites an instance in which it devoted a year to legal research and six months to economic research, gathering testimony which would be beyond the reach of an individual operator.

In addition, a Service Bureau was established to provide summaries and complete texts of all orders and notices issued by the Interstate Commerce Commission, digest of all decisions, information on social security taxes and state regulations. Coupled with this weekly bulletin, the Association issues a Daily Operations Watching Service listing applications for permits, hearings, tariffs filed, and similar information.

The development of the automobile industry brought problems to the



Making LIFE *safer for millions*

Out of laboratories have come epoch making discoveries . . . discoveries which are saving the lives of millions. Today, in America, this work of making life safer is being carried on by the Sealtest System of Laboratory Protection.



Through more than one hundred laboratories of the Sealtest System of Laboratory Protection, Sealtest Scientists co-operate constantly with Public Health Authorities to improve the quality and safeguard the purity of milk, ice cream and other dairy products.

The Sealtest System of Laboratory Protection was formed by an affiliated group of leading dairy and ice cream companies. It is the largest laboratory organization ever formed for the protection and control of dairy products.

The Sealtest System maintains more than one hundred laboratories. It employs some of America's leading food scientists and hundreds of laboratory technicians. These experts are constantly striving to develop new safeguards and to improve quality. They are ceaselessly testing, checking and super-

vising the dairy products of member-companies.

Why? So that millions of families may have this assurance of quality, purity and wholesomeness when they buy milk, ice cream and other dairy products—the assurance that comes from an added co-operation with the health department officials of their communities.

In thousands of communities, the leading milk and ice creams are produced under Sealtest supervision. These products bear the red-and-white Sealtest Symbol as evidence of Sealtest approval.

Copyright, 1938, Sealtest, Inc.

The Sealtest System of Laboratory Protection and its affiliated dairy and ice cream companies are under the same ownership.



What have laboratories to do with railroads? Just this:

Norfolk and Western scientists—with their test tubes, beakers and microscopes—have a hand in transporting every pound of freight you ship over our line, every passenger that rides our trains between the Midwest and the Virginias and Carolinas and between the North and South. Discoveries made in railroad laboratories are not often spectacular, do not often make newspaper headlines. But day after day these railroad chemists, physicists and engineers of science spend their hours in patient research. They are at work constantly testing and improving equipment and materials, developing safe transportation, finding valuable metal alloys, bringing efficiency to mechanical operations, and safety to the working man.

The Norfolk and Western pioneered years ago when it entered the field of science, when it established laboratories and manned them with well-trained men. Today, the Norfolk and Western is still pioneering. Therefore, today, it still gives you a transportation service unexcelled.



doorsteps of the glass distributors, a related industry. Investigation revealed that more than 2,400 different shapes and sizes of glass were required for the 26,000,000 motor vehicles in daily service.

When safety glass came into use as standard equipment, most of the shops that handled the ordinary glass were unable to cut and process safety glass and did not find it feasible to stock block sizes from which the exact sizes were cut.

The National Glass Distributors Association, in true organization style, appointed a committee to study the problem and develop a plan. The Association's Auto Glass Parts Service System was the title given to the plan which possessed the following advantages; First, an orderly system of filing patterns, together with a quick and accurate method of locating parts information; second, a universal glass parts numbering system makes it possible to identify the various glass part numbers in relation to the makes and models of cars for which they are made.

Consumer convenience, perfection of product, increased safety, and lower cost constitute the achievements claimed by this Association for recognition by the Jury of Award.

Stopping design pirates

THE National Federation of Textiles, Inc., in its brief for the ATAE Award, states that in 1928 the situation became so serious that manufacturers adopted a cooperative plan of registration of designs as a solution. Today, the most flagrant types of pirating have been practically eliminated. In 1928, the staff of the Design Piracy Bureau of the Federation comprised a photostat machine operator and a design librarian. Today it totals 48 persons. From the six firms who first submitted about 15 designs daily to the Bureau, the clientele has swelled to more than 350 firms submitting 100 daily.

This clearing house for the checking of every design to be used in the printing of silk fabrics is established on a business basis with business procedures. Within 48 hours after the submission of a sketch, a report is rendered indicating whether or not the design is registerable.

Not only has the plan helped manufacturers and distributors, but it has meant the growth and recognition of the American designing profession. At the time of the Bureau's start, virtually all designs were imported; there were only one or two American studios. In 1936, of the 28,000 designs registered, fully 90 per cent were from American studios.

Several related groups in the tex-

tile industry and even unrelated industries are now utilizing the Bureau as a means of eliminating design piracy.

The American Dry Milk Institute, Inc., represents, in many respects, a new industry, the extension of which is of vital importance to farmers.

The association program, it is contended, has enabled the industry "to make 1936 the sixteenth consecutive year in which sales have been increased" and "to increase its annual production from 73,000,000 pounds to 300,000,000 pounds."

In its program for 1936 the Institute included preparation of a sales manual outlining marketing possibilities and a series of meetings was conducted for salesmen in which selling methods, possible outlets and reasons for use of dry milk solids were stressed. The work carried on in 1936 was a part of a long-range program. The achievements of each year constitute a foundation and "inspiration for the years ahead."

Chains cooperate with farmers

AMONG the seven winners of the Certificates of Honor was the National Association of Food Chains. The unsatisfactory relationships, caused by misunderstanding and lack of recognition of common interests, between farmers and chain food stores were recognized as a serious problem. Farmers, the Association knew, were a potent force in molding public opinion and legislative action. The problem of the chains was to develop the lasting friendship of farmers and to win their support in opposing discriminatory legislation costly to chains and ultimately detrimental to producers and consumers.

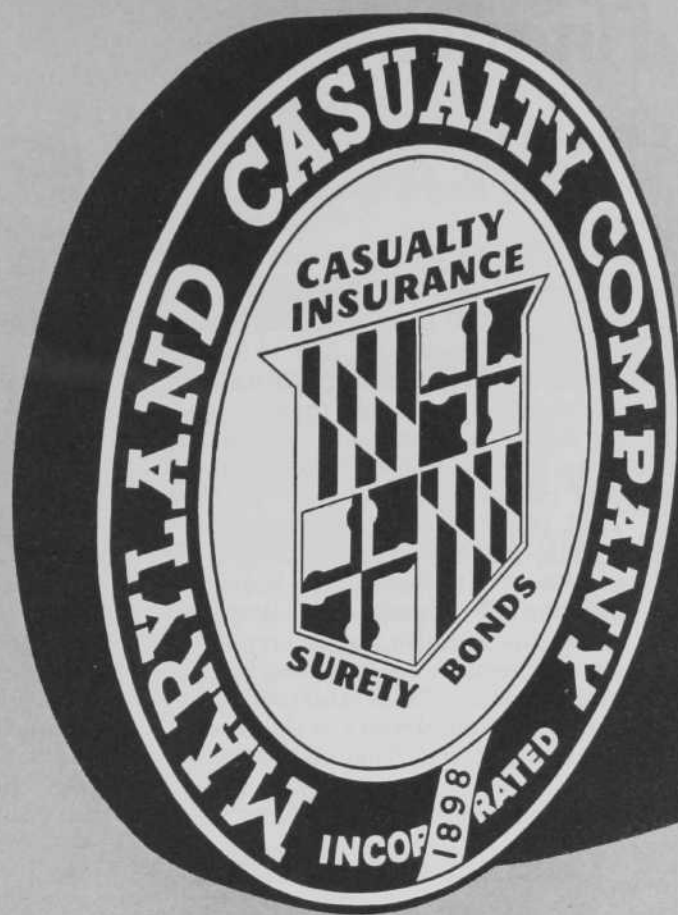
To correct these misunderstandings, the National Association of Food Chains developed a program calling for coordinated, simultaneous, nation-wide merchandising campaigns, carried on by the retail units of all member companies in an effort to move into consumption surplus crops which threatened to demoralize agricultural markets and bring loss to the producers.

Eight separate producer-consumer sales campaigns were conducted in the first year of the cooperative program. Ruinous surpluses of canned peaches, domestic fresh beef, dried fruits, turkeys and poultry, avocados, walnuts, grapefruit, and lamb were featured by the stores.

The chain food industry benefited through increased sales resulting in increased profits and, through the cooperation of farmers who rallied to the support of food chains and helped resist punitive, discriminatory attacks on the industry.

1898

1938



40TH Anniversary

forty years dedicated to a single principle

"Unforeseen events . . .

~~need not~~ so often change and shape the course of man's affairs"

THE MARYLAND

MARYLAND CASUALTY COMPANY • BALTIMORE

Speaking of Finance

By EDWARD H. COLLINS

Associate Financial Editor, the New York Herald Tribune

THERE probably has never been a depression or a business recession of any duration in this country that has not sooner or later brought the inflationists into action. "More currency" used to be the old battle cry; but the fact at last seems to have penetrated even the minds of the chronic currency tinkers that today the bulk of our money is in the form of bank deposits and not currency.

Therefore, we find that nowadays when inflation is desired some more "modern" method is advocated. Thus, Senator Thomas of Oklahoma has recently declared that the farm program cannot be made effective unless the dollar is "stabilized" in terms of agricultural commodities. By which, presumably, he means further depreciated.

Better informed on money matters than those who propose changing the dollar's value and similar crude devices is the managed money school. It is not fair perhaps to identify this group with the friends of fiat money and with the depreciationists. But it has this much in common with them. It is inclined to interpret every business decline in terms of money and credit and to lay the blame for such recessions on those responsible for the nation's monetary policies.

Today, we find that this group is inclined to attribute the business recession which began early in the spring to the Federal Reserve's "deflationary" policy of raising the legal minimum of bank reserves and to the recent decline in volume of bank deposits.

The complaint against the Reserve's policies is that that body doubled reserve requirements between June, 1936, and May, 1937, thereby reducing excess reserves from more than \$3,000,000,000 to about \$700,000,000. (They have since grown to more than \$1,000,000,000.) In consequence, it is pointed

out, reporting member banks sold \$1,500,000,000 in government securities. These securities had to be absorbed by non-banking institutions, the argument runs, and thus the money supply was seriously contracted.

As a matter of fact, the story of this period of June, 1936, to May, 1937, is not one of contracting credit supply, but of expansion. Even the statement that there was a heavy liquidation of governments does not stand up because, while reporting member banks were sellers on balance in the amount of \$1,209,000,000, other banks were purchasers in the amount of \$1,034,000,000. This makes the net

contraction of credit on this item but \$175,000,000. So far as bank deposits are concerned, "adjusted demand deposits" (which excludes interbank and Treasury deposits) actually increased by \$1,117,000,000.

Reserves are abnormally high

TO CALL the Reserve policy "deflationary" is to think of it entirely in terms of the period which began in February, 1934, when the undervaluation of the dollar started the amazing three-year-long flood of gold to this country, building bank reserves up at a fantastic rate. In normal times

here the banks have usually had a deficit in reserves, and thus have been in debt to the regional banks. On June 30, 1929, the deficit was \$930,000,000, and as late as June 30, 1932, it was still \$338,000,000. To encourage business, excess reserves were subsequently built up, by government bond purchases, until they crossed the \$700,000,000 level in January, 1934. This was regarded at the time as an extreme and daring policy; and there is little reason to believe that it would have been pushed any further deliberately. The gold inflow, however, took matters out of the hands of the Reserve officials in the ensuing months, finally forcing the latter a year and a half ago to adopt the drastic program of increasing legal reserve requirements.

Statistics show, incidentally, that, in pursuing an easy money policy, little is gained by pushing excess reserves to recent high levels. The decline in short term money rates which the policy was designed to accomplish, had largely run its course by the time excess reserves had reached \$500,000,000.

Again, one might suppose from the arguments of the money management group that, as a result of the so-

Candid Letter from an Employee:

I JUST PICKED UP my boss' copy of Nation's Business and read your editorial, "Business—a Stranger in Its Own Home." I am an employee with no ambition to take on the responsibilities of an employer. I would say that employers, with a few exceptions, have failed to treat employees as an essential part of the mechanics of their business. The average employer, as I know him, doesn't realize that the average employee is smart enough to understand his problems, and, therefore, does not discuss these problems with his employees. Because of this, it is not strange that employees, who either meet the public or are the public, believe just about everything that politicians and whatnots say about business: "that all employers deliberately try to underpay the employees, and that all employers can always operate at a profit under any wage scale and tax schedule."

Confidence between employer and employee cannot be brought about by long-winded appeals for defenders. Each employer will have to do his own confidence-building by explaining to his employees, frankly and completely, the factors and forces that directly affect success or failure.

What are some of the things I should like to have my employer tell me about?

As an employee, I should like to know about competition, the number of competitors my employer has to contend with; something about the improvements in mind, both in product and service, that are necessary to keep pace with and outstrip competitors.

I should like to be told about what happens to "our business" when selling prices must be reduced to hold our own against competition. I should like to know what part of overhead goes on when volume falls off.

I should like to have these things explained. And then, if I feel that my employer is paying me all that he can, and I cannot do better elsewhere, I will be in a position to defend him, and not condemn him. My own personal opinion is that the average employer is to be pitied—not envied.



**"WHAT! CUT PAYROLL COSTS
FOR LITTLE MORE THAN THE
PRICE OF A TYPEWRITER"**

Low-priced Model "20" speeds up accounting ...avoids extra expense of Social Security data

"SOCIAL SECURITY . . . sickness insurance . . . and other deductions keep our bookkeepers working overtime week after week," says the owner of a medium-sized business. "What can we do to have our payroll on time, to reduce accounting costs without buying expensive equipment?"

Remington Rand's answer is the low-priced Model "20" machine. Posting all payroll records for each

employee at one time, it eliminates copying of figures. The new front-feed electric carriage return, single stroke date key, and 18 other features make it easier and faster to operate.

Send for full details on this low-cost accounting machine now! For free demonstration in your office, mail coupon to Remington Rand Inc., Buffalo, New York, or phone the local Remington Rand office.



SAVE TIME . . . post all four payroll records at once. The Remington Rand "20" posts the following payroll records simultaneously: employee's wage record, pay check (or pay envelop), deduction record and payroll journal.



OK..it's from Remington Rand

MANUFACTURERS OF ALL TYPES OF OFFICE MACHINES AND SYSTEMS EQUIPMENT, PROVIDING COMPLETE INSTALLATION AND FULL RESPONSIBILITY.

FREE DEMONSTRATION

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Buffalo, New York

Please send me, without obligation, full details on the Remington Rand Model "20." ☐ I would like a free demonstration in my office.

Name

Address

City State



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Rediscover the possibilities which exist in your business, in the light of present-day conditions. Times have changed, new demands have developed and new standards have been set up, but the prime object of business today, as in other days, is to build profits.

As the machines of manufacturing and construction have moved forward to meet new production demands, so have accounting machines been developed to record and facilitate those demands.

Today, the call for accuracy and speed in obtaining important business facts is ideally answered by International Business Machines.

International Business Machines and methods

simplify routines, save time and furnish short-cut procedures. They bring efficiency and a saving of money, minutes and material. Today, they are serving business and government in seventy-nine different countries.

Find out how you can rediscover profitable possibilities in your business with International Business Machines.

These machines include International Electric Book-keeping and Accounting Machines, International Time Recorders and Electric Time Systems, International Industrial Scales, International Electric Writing Machines, International Protective Devices, The International Ticketograph, and International Proof Machine for Banks.

**INTERNATIONAL
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General Offices: 270 Broadway, New York
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Congress Turns to Business

(Continued from page 17)

fused to use its rubber stamp—the whole general legislative program which the President had drawn for the session and had promised in his re-election campaign the previous fall, became hopelessly involved.

Congress was so surfeited with the gall worked up in the Court fight that leaders regarded it as hopeless to try to proceed further. They took upon themselves the responsibility of trimming cargo and getting the congres-

sional craft with its mutinous crew quickly to port.

His congressional confidants evidently convinced the President that a cooling off period would be advisable as it would give Senators and Representatives a chance to reflect. They thought that, after a visit to their constituencies, the legislators would return to Washington burning anew with the spirit which had motivated most of them since March, 1933—the urge from the voters to "follow the Presi-

dent or stay at home." The continuing high rate of Mr. Roosevelt's popularity in the country could not then be doubted.

So the plan was laid, though not immediately announced, for Congress to disperse for six weeks or two months, then return for a short session in the fall to enact the program which had been jettisoned in the hot and stormy summer. This included measures dealing with the farm problem, hours and wages of labor, executive reorganization and regional planning, popularly known as the little TVA's.

The thought was that Congress would complete these items in short order and prepare the way for the coming regular session, which, according to the plan, would be short and



Representative Disney, a newer member, who, as a member of the House sub-committee, will play a part in tax revision



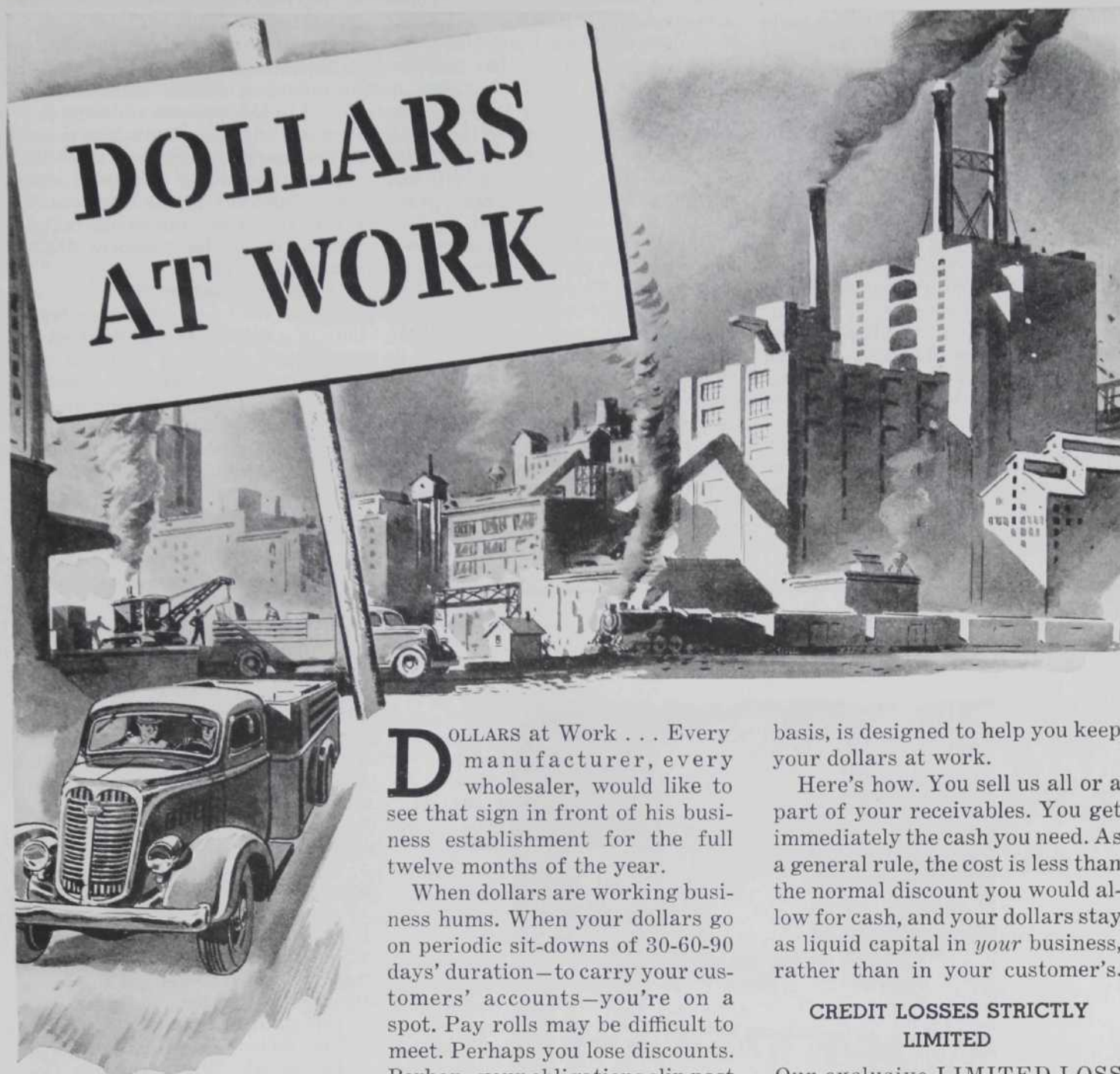
Senator Copeland, veteran of many years service and a strong friend of the American merchant marine



Bruce Barton, new member elected on a platform of repealing a law-a-day

sweet before the spring primaries and the later congressional elections, when administration forces again would take the field to defy the Economic Royalists in exchange for a return ticket to Washington.

The intention to call the special session was intensified in the President's mind by his personal experiences on



Take stock of your problems. Aren't there some situations, either temporary or recurring, which could be eased by a controlled cash position? Let us explain how we can help you.

DOLLARS at Work . . . Every manufacturer, every wholesaler, would like to see that sign in front of his business establishment for the full twelve months of the year.

When dollars are working business hums. When your dollars go on periodic sit-downs of 30-60-90 days' duration—to carry your customers' accounts—you're on a spot. Pay rolls may be difficult to meet. Perhaps you lose discounts. Perhaps your obligations slip past due. Perhaps you miss selling desirable new accounts.

KEEP CAPITAL LIQUID — AND WORKING

Commercial Credit Company's open account financing plan, operated on a "non-notification"

basis, is designed to help you keep your dollars at work.

Here's how. You sell us all or a part of your receivables. You get immediately the cash you need. As a general rule, the cost is less than the normal discount you would allow for cash, and your dollars stay as liquid capital in *your* business, rather than in your customer's.

CREDIT LOSSES STRICTLY LIMITED

Our exclusive LIMITED LOSS clause guarantees you against all credit loss beyond a small agreed percentage. It is a new form of protection in open account financing. It makes this modern, flexible type of sound, industrial financing attractive to the most conservative business executives.

COMMERCIAL CREDIT COMPANY

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SAN FRANCISCO

a trip to the Far West. So, shortly after his return to Washington early in October, he issued the formal call for a special session to convene November 15 to deal solely and quickly with those four subjects.

But something happened in the meantime. Between the issuance of the call and the convergence of Senators and Representatives in Washington on November 15. What some New Dealers regarded as a minor flurry on the New York Stock Exchange turned into a real business recession. It came so definitely and yet so suddenly that the President and his advisers were apparently taken unaware, although some of the latter had been warning of just such a possibility for more than a year.

Business indicators fell fast, spreading a fear of another economic storm, and overnight there arose from the country a clamor that the Government do something.

The demand had a strange new tone, however. It was not for further extension of federal activities. Instead it was a demand that the Government assist private business in taking up the recovery load as it became evident it must when the President announced that the necessity for balancing the federal budget had brought federal pump-priming operations to their inevitable end.

This clamor was well drummed into congressional ears before their wearers had left their homes for Washington. If the President had needed anything to put him in tune with the practical politics of the situation it came on November 15 when Congress came into special session; when in its own mind it obviously placed business relief ahead of even the President's four-point program in its own "must" list of legislative importance.

From the day it came into being, the special session worked reluctant-

ly on the President's pre-recession legislative projects.

Through its members and leaders it made demands that the President formulate or submit a program designed to aid business and even to alter some of his most precious policies if necessary to reenliven the more normal functioning of private enterprise. Inherent in all this was the threat that Congress would take its own course if the President did not assume the lead.

What happened in the special session is of too recent history to repeat here. Such work as was done on the President's original program was done largely with the idea of getting it out of the way and clearing the deck for a new line of action which promises to follow in the coming weeks, with or without administration direction.

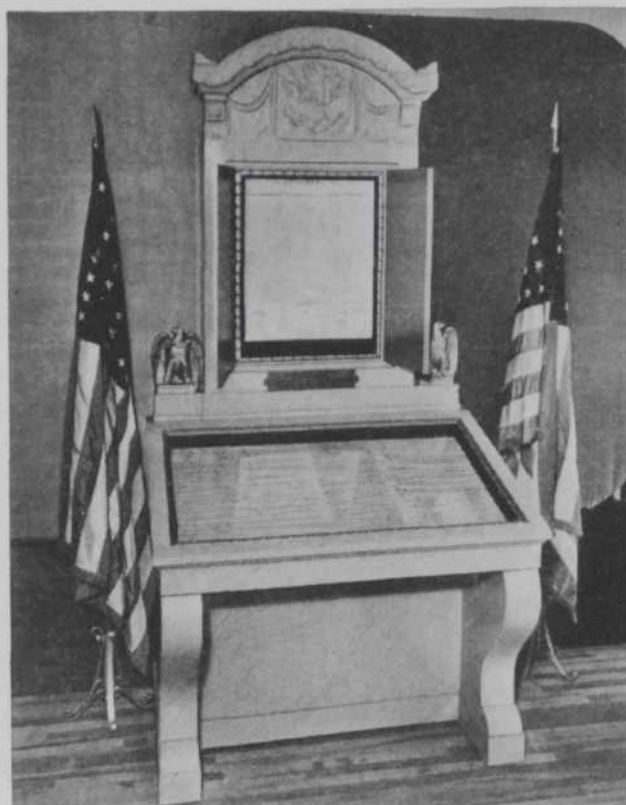
The first and perhaps most important move of Congress along the course we have indicated is to be tax revision. The need for overhauling the revenue laws, and particularly for codifying them into a comprehensive and comprehensible document was recognized early in the year and plans were laid for general tax revision. But the changed economic situation has detoured that whole movement and directed it primarily toward the goal of relieving business of some of the strait-jackets which many business leaders feel were purposely put upon it in the past few years.

The urge for tax revision, therefore, has been turned to modification of the levies on undistributed corporate income and on capital gains which, according to common agreement, have placed a heavy hand upon the normal recovery processes within private industry.

The undistributed corporate income tax was driven through Congress in 1936 primarily as a reform measure. Its main intent was to prevent the corporate form, with its comparatively low rates of taxation, from being used by large taxpayers as a device for escaping high individual surtaxes. Another purpose was to force corporations large and small to disgorge themselves of annual profits which otherwise would go to surplus accounts, thus increasing the "velocity" of money finding its way into corporate business. An almost incidental purpose was an increase in the Treasury's revenues.

The result, however, was another story. That story is now being unfolded as a major factor in the business problem. Through operation of the undistributed corporate income tax, corporations did disgorge themselves of profits, as they were supposed to, but they did so at the expense of plant improvements, rein-

BELLRINGERS



Merchants Foster Patriotism

A REPLICA of the shrine of the Constitution in the Library of Congress at Washington was presented to the school children of the Northwest on Constitution Day by the Dayton Company, department store of Minneapolis.

A facsimile of the handwritten draft, complete even to the inter-

lined corrections and ink blots, lies under the inclined glass cover and is illuminated by indirect lighting. Above, framed and glassed, hangs the same sort of reproduction of the Declaration of Independence.

The shrine will be housed permanently in the Minneapolis Public Library.—GRACE K. PLANT.

vestment and other steps which are now sorely needed to increase production and employment.

That the tax will be changed in light of these experiences seems now a foregone certainty, and the changing of it will be perhaps the major single item of legislation at the forthcoming session. The capital gains levy which also stands indicted of hampering profit taking and reinvestment may be changed, too.

The problem of unemployment relief will also be before the coming session in a more active and more agitated form than ever before. On the one hand will be the President's demand, in which he is abundantly supported by private business, to balance the federal budget. On the other will be the increasing lists of unemployed persons, victims of the new recession, and the Administration's oft-repeated pledge to care for them.

Furthermore, their plight undoubtedly will be used again by those who demand that the Government spend the nation into recovery. It is quite possible in this situation that the moderate element of Congress will force the Administration to curtail the expensive works relief and go more into direct relief.

Business will get a chance

HERE again the situation with reference to private industry and the possible effects of Congress' action upon the normal course of business will be more to the fore than at any time since 1933. In the proportion that Congress will be business-minded it will be budget-minded, having heard for so long the demands from private interests that the Government balance its accounts.

The search for remedies for the business crisis will undoubtedly lead in many directions. There is every possibility, for instance, that changes will be sought in the Social Security system whereby the threat of dislocations from the huge full reserves for old-age pensions may be removed from financial outlook. Alterations may be proposed for the Administration's power policies to the end that private utilities will be reassured as to their future and thereby be induced to enlist whole-heartedly in the President's drive for a private industrial construction program.

Amendments may be sought for the farm act to which the special session devoted so much of its time, in an effort better to harmonize it with the new ideas for recovery through private, as contrasted with public, efforts. The same type of changes doubtless will be pressed for the administration's labor policies, not only

in regard to the wage and hour legislation but also to the purposes represented in the National Labor Relations Act.

While these affirmative moves for Congress at the coming session may be forecast or indicated as possibilities at this time, there are negative factors which are just as interesting to business and may be equally important. If present trends continue, little further action may be expected on the regional planning idea—the little TVA's—because of its possibilities for extension of Government competition with private business in the utilities field. By the same token, one would not look now for any great decisive step by Congress toward antitrust or any other new regulatory legislation which might be taken as evidence of a renewal of the reform crusade which business thinks took undue precedence over recovery efforts during the past few years.

These forecasts are made on a formula vastly different from that used commonly by Washington observers between March, 1933, when Mr. Roosevelt came into power, and July, 1937, when the Court bill was defeated. In them we have decreased to some extent the force of the all-controlling equation of that time—the President's own wishes—and emphasized another factor—Congress' new found independence.

The President may well take the lead in the general course here outlined, even as he already has indicated he might, but the motivating force behind the whole change of direction—and that is what it seems to amount to—will be Congress' reassertion of its own prerogatives, reflecting, as it will if it continues, the preponderant will of the people.

Perhaps the most encouraging sign for business and perhaps for the country as a whole is this new independent feeling exhibited on Capitol Hill for the past few weeks. To the philosopher it would seem to indicate a restirring of the democratic processes which lay dormant, and perhaps properly so, during the years of the previous business emergency.

But for practical business men it promises at least a chance to be heard and to have their views weighed more adequately before laws designed for their welfare or their regulation are spread upon the books.

If the coming session promised to do more than restore a greater measure of responsibility to Congress in making the country's laws, there would be much to be expected toward restoration of confidence and the re-activation of private enterprise.

YOUR 1938 PROGRAM OF PROTECTION



against
FIRE and CRIME

SHOULD INCLUDE
DETECTION

NO MAJOR BUSINESS enters 1938 without the protection of fire insurance. Quite as important, but more often overlooked, is the necessity of detection that stops fire and crime before they start.

DETECTION of chance fires, of open windows and unlocked doors that invite crime, is an important supplement to any protection program.

AMERICAN BUSINESSMEN responsible for the safeguarding of property have found that the watchman properly checked by a watchman's supervisory system is the simplest, most efficient way of providing this protection.

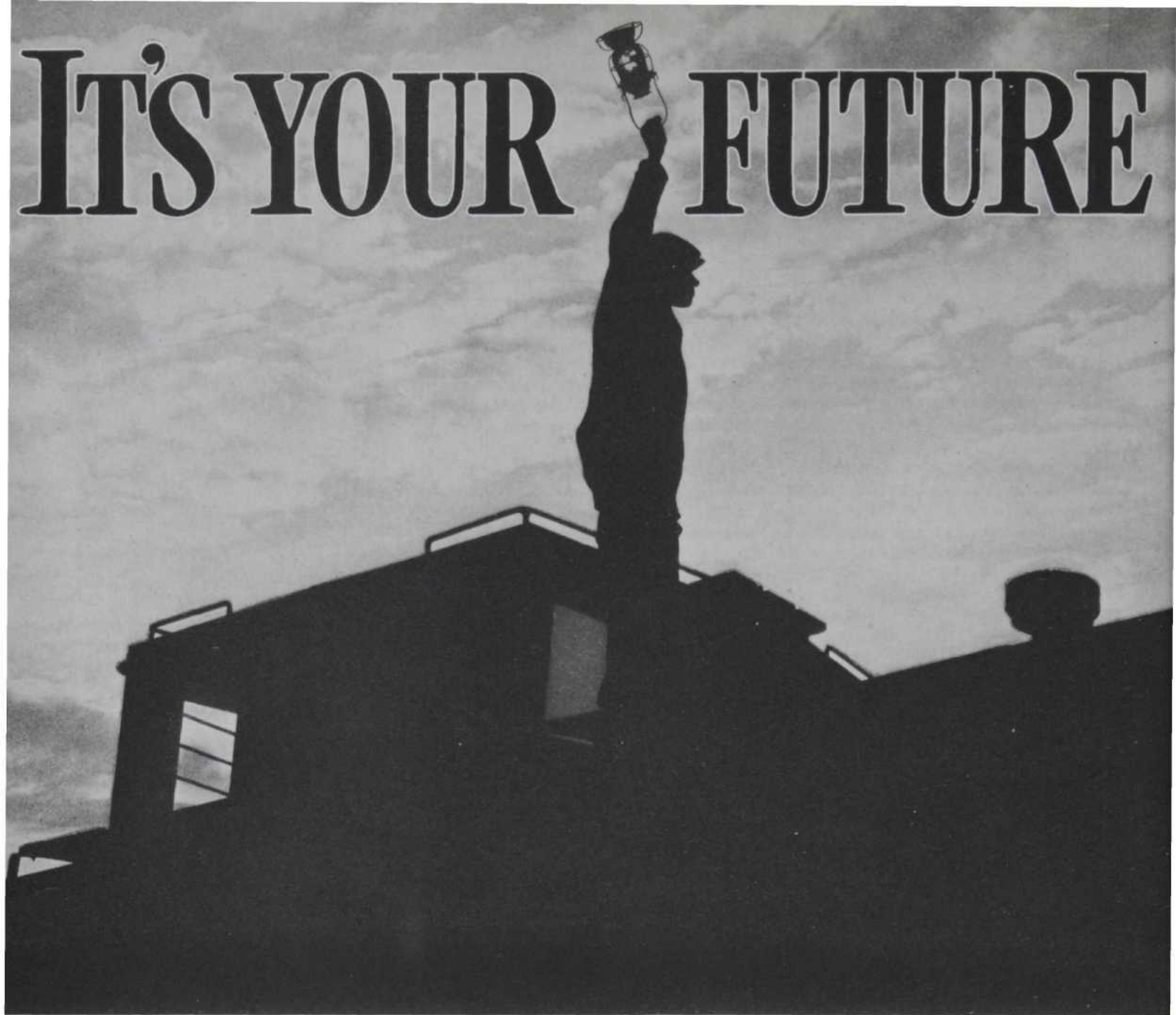
THE 50,000 DETEX Watchmen's Systems employing more than 80,000 clocks are the best evidence that American Businessmen are generally agreed on the efficiency of Detex Systems.

ASK DETEX to supply information on a system that will fit your present and future needs.



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IT'S YOUR FUTURE

A JOB for every man who wants to work—a time when every farm and factory and mine will be busy producing things which people need—

That's not impossible in the nation that has made the most spectacular growth in history. Every reason argues the nation will continue to go ahead.

Sure of this, the American railroads have, even in lean and trying times, steadily built toward the day when increased commerce will need and

profit by finer transportation than it has ever had before.

So the railroads have doggedly pressed for better service, laying heavier rails, straightening curves, cutting down grades, increasing the average speed of freight trains almost fifty per cent — producing transportation more cheaply and more efficiently year by year.

The record of the past decade clearly demonstrates the determination of

AS WELL AS OURS

the railroads to keep their service abreast of America's needs — and their *ability* as well.

But if America is to have the tools she needs to prosper, railroads must earn enough to continue this progress.

Since 1933, prices of the things railroads buy have gone up; wages have increased; taxes have risen — while the average level of railroad freight and passenger charges has steadily declined.

Advancing production costs in other industries have been accompanied by increased consumer prices.

The average charge by the railroads for hauling a ton of freight one mile was, on the contrary, actually 10 per cent less in 1937 than in 1932—26½ per cent less than in 1921, shortly after the end of government operation, when the downward trend of rates began.

As a result, they have been compelled to cut down forces and curtail purchases of the 70,000 different items which railroads buy. That means less work, less business, less prosperity in industries and communities in every corner of the land.

And that's what we mean when we say it's your future as well as ours—that's why you have a vital interest in seeing that the railroads earn enough to help bring about increased employment and a broader prosperity.



ASSOCIATION OF
AMERICAN RAILROADS
WASHINGTON, D. C.

PORTRAYING *The* MODERN TREND toward better living and working conditions



Featuring AIR CONDITIONING—

The importance of modern heating, ventilating and air conditioning in our commercial, industrial and domestic life will be vividly portrayed at Grand Central Palace in January. Three hundred of the nation's progressive manufacturers will display and demonstrate the latest equipment designed to control the temperature and the air condition of homes, commercial buildings and industrial plants.

Alert business executives will welcome this opportunity to learn of the latest developments in heating, ventilating and air conditioning equipment, many of which may help in improving plant and office working conditions, improving product, reducing costs, and in drawing public favor and patronage to stores, restaurants, hotels, etc. Keep up to date. Visit this Exposition without fail, and bring your associates with you!

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GRAND CENTRAL PALACE, NEW YORK, N. Y.
JANUARY 24 TO 28, 1938
Managed by International Exposition Co.

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Business Must "Sell" Itself

(Continued from page 28)

should be directed toward a "more thoroughly socialistic order of society." In 1934, this group had increased to 50 per cent. In 1922, 54 per cent said that, in their opinion, American industries gave laborers opportunity and encouragement to advance to better jobs and increased income and responsibilities. In 1934, only 24 per cent thought so.

Business baiters mislead public

PROPAGANDISTS—political and otherwise—have cleverly publicized the misdeeds of the unscrupulous minority which always is found in any group and have spread the impression that all business is grasping and ruthless; that employers are "economic royalists," that large owners of corporate securities are "tories"; and that prosperity is to be attained, not by producing more goods at lower prices but by slicing the pie into more pieces.

What is business doing about all this? Pitifully little! Most corporation heads still have the misguided opinion that their proper audience is limited by the number of their stockholders and most of them go on the false assumption that the less you tell about your own company's affairs the less you stick out your neck.

True, a lot of companies now have publicity men or public relations departments. But what is the good of a public relations department if it isn't allowed to function in the field where it might do the most good? Most employers still regard their public relations men as "press agents" whose chief duty is to see that favorable items are published and to keep the newspapers from discovering unfavorable items. Consequently, most public relations men—despite their high sounding titles—are merely press agents, scurrying around trying to sell their handouts to the papers and—usually against their own better judgment—trying to keep newspapers from discovering information which the management doesn't want given out.

Wherever you find a really capable man heading a public relations department, he will tell you sooner or later—if he trusts you to keep his secret—about how he is prevented from doing an intelligent and effective job by the hurdles his own management places in his way.

"The hardest job I have is the education of my own bosses," says one of the best in his line, a man who

has handled the public relations work for one of the nation's leading corporations for nearly two decades. "They seem to have the idea that there is something mysterious about public relations, and especially the newspapers, and with uncanny consistency they choose a devious route to their goal rather than the direct and obvious way."

One great mistake most corporation managements make is to assume that it is the newspapers they are trying to convince. Newspapers are merely the media through which whatever messages they have are presented to the public.

To itemize the absurd mistakes made by corporations in their efforts to solve the problem of public relations would be an almost endless task.

A large manufacturer has a strike in an eastern branch factory. Reporters rush to the scene. The branch manager, eager not to displease the top man in Chicago, refuses to talk. The labor agitators handling the strike naturally have a lot to say. Result: the reporters have to send in something to their papers and so they quote the people who have talked.

Handling news poorly

A BANK employee, by adroit manipulation of the books over a period of years, manages to steal and spend a lot of money belonging to customers. He is caught and the newspapers get wind of the story. Their requests for the facts are refused by bank officers, hoping to keep the story from being played too sensationally. Result: The element of mystery is injected and the story is headline material for days. A clear explanation the first day would have made one big story and that would have been the end of it.

A steel company has a serious explosion killing one or two men and injuring several others. Reporters hurry to the plant only to find the gates barred against them and the management unwilling to give out any information. Result: The story is obtained from police and coroner's records and the company's secretiveness is pointed out.

But why go on? The mistakes all follow the same general pattern.

Do not get the idea from these remarks that corporations do not give information to the newspapers. The daily outpouring of handouts is terrific. Publicity men bury news desks daily with a deluge of guff about inconsequential doings and plugs for company products. In all this chaff

there are a few grains of wheat and so it all has to be looked over—no little chore in any newspaper office.

It is this sort of thing, plus telephoned petitions for consideration of this and that triviality, that has made the word "press agent" anathema in newspaper offices. From the receiving end, it is easy to distinguish the man who is trying to do an intelligent job of public relations from the press agent who is trying to get a few clippings to paste in his scrap book.

Public relations is not all news

SOME of the best public relations men never send a handout to the papers—except an occasional and purely factual report on earnings or some other equally routine corporate matter. Most of them make only infrequent visits to newspaper offices.

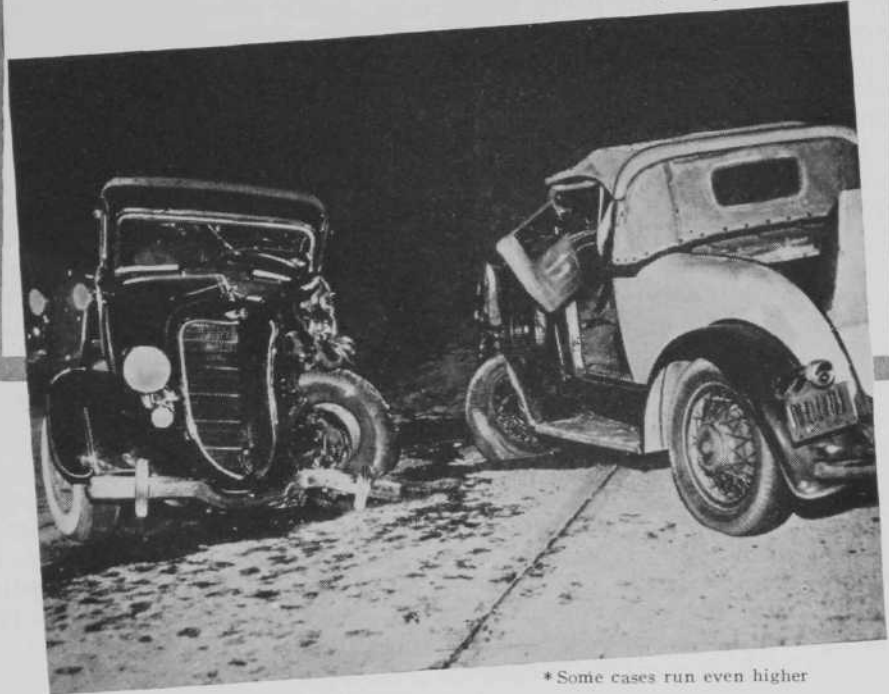
Contrary to the general belief among business men, newspaper training is not a necessary prerequisite to successful public relations work. One of the best pieces of work I know of was done by a bank economist. Another excellent job is being done by a steel man who, as far as I know, had never even been acquainted with newspaper men.

There are, in fact, some good reasons why experienced newspaper men should not attempt public relations work. A news man is trained to resist almost every known manner of approach. As he grows older he is inclined to crawl more and more into his shell. He is likely to find it difficult to reverse his defensive attitude.

One of the saddest spectacles is the public relations man whose job is supervised by the company's legal department. Public relations work, particularly to the extent that it has to do with handling news developments, requires quick action. A lawyer's typical reaction is to stall—to ask for a continuance. Consequently, the handling of the news is constantly being impeded by the "i" dotters and the "t" crossers. Almost any intelligent public relations man would even prefer to work for the advertising manager.

The job of "selling" American business to the public is bound to be an uphill job. No one corporation can do more than a small share. Trade associations are in a position to complement the work of the individual companies. The whole thing will require years of hard work. But it's a job that has to be done if the system of private enterprise is to survive.

THIS HAPPENED AFTER HOURS BUT IT COST THE EMPLOYER \$2,700*



* Some cases run even higher

Is it any of your business if one of your foremen is injured in an automobile accident tonight as he drives his family home from a movie? It is if you're watching production costs!

One automobile accident after the whistle blows may mean a larger overhead loss than a serious accident in your plant. A skilled substitute must be trained to replace the injured man. Production is slowed up, sometimes as much as 15%. Mistakes increase. And the result, although not an individual item on your ledger, will nevertheless affect your statement of profit and loss.

Let the little red arrow emblems of the "NOT-OVER-50" Club help you prevent these accidents. Your employees who join will be safer observing the club's creed of safe driving rules. They will avoid accidents because they will drive at sane

speeds that give them time to see and stop.

Send for a supply of "NOT-OVER-50" Club safety packets and distribute them to your employees. Display posters on your bulletin boards to stimulate their interest. Packets and posters will be sent to you free and neither you nor the employees who join will be under any obligation. Simply fill out and mail the coupon.

The "NOT-OVER-50" Club is part of Lumbermens program to reduce the cost of automobile insurance. By selecting only careful drivers to begin with, and

then preventing accidents among this preferred group, it reduces losses. This makes possible the big cash dividends it has paid to policyholders each year. If you would like to learn how Lumbermens policyholders *save with safety* on their insurance costs check the square in the coupon below.



LUMBERMENS MUTUAL

JAMES S. KEMPER, President

Casualty Company

Save with Safety in the "World's Greatest Automobile Mutual"

HOME OFFICE: MUTUAL INSURANCE BLDG., CHICAGO, U. S. A.



BUSINESS
In WASHINGTON

Half a million recently spent to make the Willard Washington's newest in equipment and beauty.

H. P. Somerville, Managing Director

THE WILLARD HOTEL

START
SAVING LIVES
Today

"NOT-OVER-50" CLUB, 4750 Sheridan Road, Chicago, Illinois NB-13

Please send me _____ safety packets described above. I understand that these insignia are free and that this places me under no obligation. ☐ Also send full details on how I can "Save with Safety" on my automobile insurance.

Name _____

Address _____

City _____ State _____

The New Trade Association

(Continued from page 35)

minor, inconsequential post, patronized and tolerated, but never quite seriously regarded, is by way of being abolished. In place of it there is being substituted full authority and responsibility and what is perhaps of greatest importance—recognition of such leadership. More and more associations are choosing their heads from outside the membership, from sources non-political in character and assuring background, experience, capability and trustworthiness.

Some are still called secretaries, others managers or directors, and yet others presidents or chairmen. Titles to some may mean little, but the unmistakable trend is to accord to the chief executive's office that recognition by name which is indispensable to the successful functioning of the new trade association.

The biggest prospective profession looming over the business horizon is this post of paid president-manager of the new trade association. Its development has seen a metamorphosis somewhat as follows:

1. "Striker" to the principal member.
2. Social secretary to the inner club.
3. Recording secretary of talk.
4. Publicity man.
5. Disseminator of facts.
6. Interpreter whose opinions fall on deaf ears.
7. President and dictator, otherwise known as the "front window" and "stuffed shirt."
8. Chief executive who—like the chief

executive of a successful member company—consults with and informs his members (stockholders), who formulate basic industry policies with his executive committee (corporate directors), and who puts these policies into effect.

It is my opinion that No. 8 fixes the status of the job henceforth. In it is no czarism. It is the very antithesis of the economic dictatorship held out, in the form of economic sweetmeats, by socially mistaken planners. And it is the most effective answer which I know of to the fear of fascism, communism or any other form of so-called authoritarian government.

Qualifications of the executive

THE new manager is the chief executive officer, call him what you will—secretary, chairman or president. He looks to his executive board for policy and they look to him for both policy and execution. He has an understanding of economic and social problems; a keen sense of trends but the moral courage to resist them at times when conformity would be the easy way; and a talent for analysis and expression, both oral and written. He is neither a clerk nor a dictator bigger than the industry. He is as big as his industry, and the industry as big as he is.

The selection of such an executive from outside the members is not to be confused with the fallacy which already has been pointed to, of seeking a political formula prepared for the

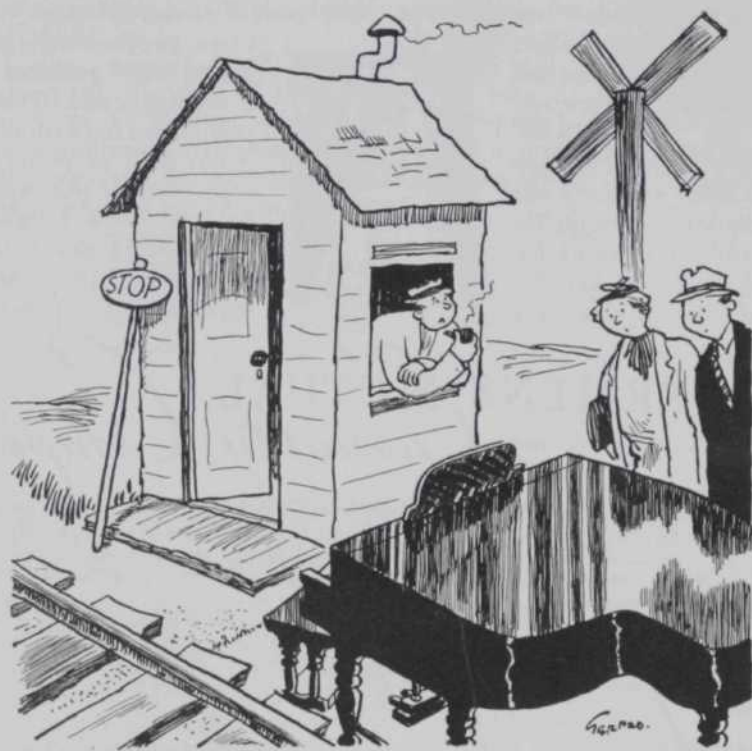
industry and imposed upon it by personal dictatorship. Industry members must themselves assume responsibility as individuals, but they need practical and expert assistance in seeing that their collective will is honestly and intelligently carried out.

One association head, after reviewing the shattered morale of his industry as a result of bureaucratic tinkering, frankly told his members that their principal reliance would have to be on their own willingness and ability as individual business men to educate themselves and adapt their management to meet changing economic conditions. He would assemble and report the facts, offer his interpretations and recommendations for them to ignore, accept or reject. It took courage to say that to the members of one of the country's large industries—men who had every reason to regard themselves as successful.

Who was he, politic though he undoubtedly was, to tell these men they must learn how to manage their affairs? He was their president and, consequently, their peer. One can hardly conceive a trade association secretary making such a statement. Or offering it and holding his job afterward. In any case, the advice would have been presumptuous had it not been supported by factual studies.

I have said that, in addition to an overhauling of the individual association mechanism, a closer integration between the various groups is an essential step toward any degree of unity for business as a whole. By integration I mean a practical bringing together on a basis of principles of the more important associations representing different related phases of the country's basic business activities. The product of that integration would be an expression of broad national policy and its translation into appropriate action. Some more closely knit congress of American industry, trade, commerce, agriculture and finance is demanded by all the logic of the situation.

Before 1930 our economic life was concerned largely with promotion and exploitation, but from now on we must think of the cultivation and conservation of that which we already have. Conservation calls for conservative thinking and conservative leadership. The unadulterated Americanism of our earlier years is now tinged by a contaminated mixture of political, social and economic hallucinations. Call them what you will, we must control them or eventually they will con-



"I won it in a contest but the B. & E. O. refuses to make room for it"



Preforming of Wire Rope Important to Executives

● Let me tell you something about wire rope. There is no piece of equipment so subject to abuse in the field. Preforming helps it stand that abuse.

There is no piece of equipment that delivers so much sheer strength in compact form. Preforming gives that brute strength the maximum flexibility.

There is no piece of equipment in which the many working parts are subjected to such violent changes in operating conditions. Preform-

ing puts every wire and strand in a "state of ease;" makes them willing to work equally hard.

There is no piece of relatively "minor" equipment that can be so costly in idle time of both men and machines when it fails. Preforming makes wire rope last longer; reduces machinery shutdowns; cuts replacement costs; steadies production.

Ask your wire rope manufacturer or supplier about preformed. For the majority of applications it gives far greater dollar value.

Ask Your Own Wire Rope Manufacturer

Preformed WIRE ROPE



Gives Greater Dollar Value on Many Applications



He's president of a Chicago firm. From his office he's holding a telephone conference with the Cincinnati plant superintendent (page 97) and the St. Louis warehouse manager (page 102) by Bell System **SEE PAGES 97, 102** CONFERENCE TELEPHONE SERVICE. Each of the three men can hear and be heard. They're clearing up in minutes a matter that might have dragged on for days and cost a lot of dollars. Easy. Try it.



**NEW
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FOR**

**Business
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● Wherever industry confronts a fastening, closing or sealing problem, consider the efficient and economical Morrison "Perfection" Wire Stitcher. For binding or assembling pieces of almost any kind, the Morrison has served for greater profits in business for over fifty years.

The Morrison is built in a wide range of models and in sizes to meet your binding and fastening problems.

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SEYBOLD DIVISION • DAYTON, OHIO**



MORRISON

trol us and destroy all that we most cherish.

Already considerable progress has been made toward integration of business principles. Among the trade associations it is assuming three general forms.

1. The simplest is that of occasional or periodic conferences by the secretaries. This has been done successfully on a horizontal scale, bringing together in one notable instance with which I am familiar the secretaries of national and state associations. If practical horizontally, it should be possible vertically, or through a cross-section of various business activities that contribute to a single industry all the way from primary production to distribution.

2. The commonest form—so common indeed that it may not be recognized as integration—is the establishment in one national association of departments to care for those divisions that have common interests, though with peculiar and individual application. In one interesting example, these departments are guided in policy by executive committees from the membership. The chairman of such a committee is a paid employee of the "mother" association. This is in line with the trend toward paid chief executives. Such departments can be virtually autonomous, merely appropriating from their funds sufficient money to meet their share of the overhead and retaining the balance of their income for specific departmental purposes.

3. Increasingly significant is a type of integration the reverse of No. 2, in which a national "mother" organization has been evolved through coordination of several independent nationals devoted to different phases of the same industry. Funds are appropriated by the supporting units to run the centralized structure. On the board of the big association are the principal officers of the contributing bodies, supplemented by others. The success of this set-up depends on some rather intangible and delicately balanced factors, the most important of which is the human equation.

None of these may be the proper or final form, but each of them is headed toward the goal of self-preservation for individualism. The attempt to weld the thousands of trade associations into "One Big Union of Business" might be as difficult as the creation of a United States of Europe. And to attempt arbitrarily to bring one into being would be to create an organism beyond the ability of present human capacity to guide with wisdom. Thus our last state would be worse than our first.

If it is good for a section of business to organize, then it is good for all organized sections to cooperate. This they are doing, to a degree, through the Chamber of Commerce of the United States, but more should avail themselves of this cooperation. In democracies, public opinion is liberty's safeguard. To me, the United States Chamber is the reflector of public opinion.

In the interview—"We Need One Big Union for Business"—I tried to make it plain that the "union" which

I advocate is not physical, with a super-man telling the little man what to do, but mental.

"Associations," I said, "can unite on principle."

What are these principles? Who understands them? Whose business is it, but the trade association's, to search them out and place them before its members?

The human mind is always thinking of control in terms of persons. Principles never can be controlled or manipulated. All attempts to do so—

either economic or political—have failed. Truth can never be controlled, and no human thought regarding economic conditions can be deceived when the truth is known. If a higher and higher degree of integration, co-ordination, cooperation be granted as both desirable and practicable, then it is statesmanlike that our business leaders should encourage bringing together the fibers of common policy and weaving them into a fabric protective to all. That is the highest form of "National Defense" today.

\$16,000 Homes for \$2,000 Incomes

(Continued from page 23)

investigation, the prospective purchaser discovers it is more economical to get a loan from an insurance company or some other private agency than to get it from the Government.

Assuming that the situation is the result of lack of legislation instead of indifference (or common sense) the PWA explains how states and municipalities may evade the legal and constitutional inhibitions. Legislatures may authorize housing authorities. Housing authorities may organize, incorporate and issue bonds.

But, with all the propaganda and priming, municipalities remain supremely indifferent. The trouble is obvious. It is the municipality's 20 per cent. No municipality worthy of the name would reject an opportunity to provide a more abundant life for its ill-housed if the Government would contribute 100 per cent. But sympathy ends where economy begins. If the Government is so penuri-

ous that it will provide only 80 per cent of the cost, then the poorly housed will have to live as they always have.

After all, 20 per cent is a small item. The Government will not permit that to stand in the way of achieving its goal, particularly since 20 per cent represents the difference between victory and defeat. With an investment of 100 per cent the Government made Greenbelt 100 per cent successful. With one slight amendment to the Housing Act, simply eliminating the requirement for municipalities to contribute 20 per cent, it should achieve the success of Greenbelt. Then everyone who suppresses initiative and keeps his income down will be by way of having a comfortable home without lifting a finger or batting an eye. The only obstacle in the way of complete success is individual initiative, but the Government promises to put that temptation out of the way.



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The great white *Empresses* hold every speed record to and from the Orient. 10 days direct to Yokohama by *Empress of Asia* or *Empress of Russia*. Or only three days more via Hawaii by *Empress of Japan*, largest and fastest on the Pacific, or *Empress of Canada*. Connect at Honolulu from California ports.

From Vancouver and Victoria to Yokohama, Kobe, Nagasaki, Hong Kong and Manila. Full details from YOUR TRAVEL AGENT or Canadian Pacific: 41 offices in U. S. and Canada.



Canadian Pacific

The Coast Guard, a Business Man's Navy

(Continued from page 32)

When Jarvis reached the whalers he found them full of melancholy, resentment and subversive tendencies. They were tough nuts from the Barbary Coast to begin with. They had been facing death and misery for months and their officers had lost control. So Jarvis made the 300 behave. Precisely how he did it must remain a mystery to those of us who like to curl up with a good book in dirty weather, but he did it, all alone, and without resulting to rough stuff.

Whaling is almost a lost art now, but only a few days ago the Coast Guard received messages from two of its officers somewhere in the Antarctic, where they were on board whaling ships under the international agreement by which it is sought to protect the few whales that are left.

"The whaling ships are obeying regulations as to number and size of whales taken."

Special codes devised

NOTHING really sensational about that, perhaps, except that, by some error, the officers had not been provided with the usual code. They wished to communicate with each other and headquarters at Washington over the ships' radios without letting the ships' crews into the secret. So one of them invented a code and sent his message in it and the men of the Coast Guard Communications were handed a mess of tangled words that meant nothing at all to the untrained eye. Presently the Intelligence Office brought in the answer:

"This means so-and-so."

Later the second Coast Guard officer on another whaler some hundreds of miles distant from the first man's ship, sent a similar message and after a time the Intelligence Office worked out the new code and replied in it. No trick at all, the Coast Guard says. The code was as simple as rice pudding, based on knowledge the distant guardsmen knew was shared by all communications' officers, but outsiders could not read it. The Coast Guard's specialists in code reading are somewhere near the top of the heap, however, and they have passed some part of their ability down the line.

Not long ago the C. G. and the Customs Bureau collaborated in a watch for smugglers of dope. It was known the drugs were being brought in and it was assumed that those engaged in the venture communicated with each

other by code. At last a suspicious message was caught and read. Here is the very considerable miracle the readers performed:

The code message as received in the United States consisted of groups of numerals. For example; one, nine, eight, seven. Twenty-two, fourteen, seven and one-half.

That was broken down into Chinese words.

The Chinese words were identified as belonging to one of the 2,000 Chinese dialects.

The Chinese-dialect phrases were then broken down into ordinary Bronx English. The smugglers and the dope were seized.

Don't ask me how it was done. I only have a vague comprehension of the Einstein theory, and that is Montessori stuff compared to that de-coding. But the Coast Guardsmen will tell you that they are just honest working men, engaged in protecting American lives and laws and business. Nothing romantic about them. Bless you, no! It wasn't romantic a few weeks ago when the Coast Guard went out in Alaskan waters to ascertain what some foreign fishing boats were doing. The foreign Government said they were doing no harm. So sorry. Just out for the ride. Yes.

Every one knows that, through the operation of some marvelous instinct, salmon return from the sea to spawn in the rivers in which they were hatched. A federal statute protects the salmon inside the three mile limit. The foreign fishermen had been picking them up outside the three mile limit while they were busily engaged in swimming for their home ports. It is obvious that a salmon canned on board a ship five miles out is not available for the canneries on shore. The Coast Guard cutters went out to sea to see what was happening. Diplomatic representations were made.

The salmon have no such firm protection as is afforded the fur seal through an international agreement. By it the seal rookeries on the Aleutian Islands are guarded by the Coast Guard, and a rigidly controlled kill is permitted each year. The seal herds which had almost disappeared have regained a fair proportion of their former numbers. The islands are American islands, but some foreign nations insist that the seals are not our seals. The seals swim south each year when the pups have grown strong enough to stand the journey—

And that swim would be practically sheer profit to the foreign sealers if the seals were not protected. They argue that, in a way of speaking, the

seals are American seals, because the seals live their family life, such as it is, on American islands, and therefore, they should not be blamed if they knock off as many American seals as they can.

The argument grows a bit complicated when it is considered that the foreigners also argue that the seals are anybody's seals because they go to sea. In any case the American Government does all the work—through the Coast Guard and Bureau of Fisheries—and pays to the other Governments specified shares of the receipts. This may look a trifle like a racket, but it can't be because it was framed by diplomats.

Seals must be protected

ONE thing is definitely known. If the Coast Guard did not meet that seal herd on its way north each spring and watch it after it reaches the Aleutians and chaperon it on its way south again there would be no more seals than there are dodos. Seal fur is good at any season. The sealers could clean up the whole herd if they were not warned off. Between times, the Coast Guard carries medicines, dentists, law, religion, and supplies to those who need them in Alaska. It takes away criminals and relieves what it calls "destitutes."

On that storm swept stretch of coast north of Cape Hatteras its men watch for trouble constantly. There is a constant stream of coasting vessels visible on the edge of the horizon, for this is one of the busy marine highways of the world:

"Between times we pull cars out of the sand," said John Allen Midgett somewhat morosely.

Some one has to pull them out. The improved highway is bringing the blessings of civilization to the coast, but it has not been completely improved as yet. The motor cars take to the beach when the highway end is reached. Everything is fine as long as the sand is just properly wet and not too wet, and the oldtimers can spot bad patches rods ahead. Now and then a tenderfoot lams into a soft spot and his car begins to sink over its ears. So the Coast Guard goes out and gets it. Like as not the Coast Guard then purveys fish chowder and telephone communications to the distressed party.

John Allen Midgett, who is in charge of one of the stations along the Hatteras coast, is reputed to have done everything that can be done for

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advertising effort is the one that concentrates its main strength in the neighborhoods where buying is most active. Because The New York Times does this, it has been the advertising leader here for nineteen years.

Our market research department is currently gathering fresh data that will help you ascertain which of New York's neighborhoods are the most active markets for your product. We shall be pleased to send you such of this data as you require to plan your 1938 advertising for greater effectiveness.

SEND FOR THIS DATA

Market research studies are constantly being conducted by The New York Times to provide advertisers with a rounded, reliable picture of the New York market. Already available are studies covering sales of the following products, which will be sent to interested executives upon request:

MECHANICAL REFRIGERATORS • TEA
TOILET SOAPS • COCKTAIL CRACKERS
CITRUS FRUITS • PINEAPPLE JUICE
RADIO SETS • SOAP CHIPS • MUSTARD
LAUNDRY SOAPS • COLD CREAM
CAMERAS and FILM

The New York Times

"ALL THE NEWS THAT'S FIT TO PRINT"

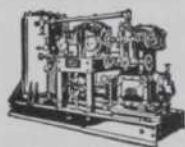
You like Apple Pie?



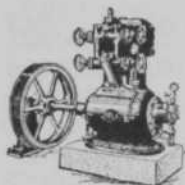
Refrigeration

Keeps millions of barrels of apples fresh for you, each year.

In the storages around Winchester, Va., the apple center of the East, 85 per cent of the refrigerating equipment is Frick.



Ask for literature on Frick Refrigerating Units and Compressors. They're furnished in all types and sizes.



In the Northwest, 35 Frick machines serve the Pacific Fruit and Products Co. alone.

Growers everywhere are now building Frick refrigerated storages right on their farms. Ask us how little they cost and how much they save.

FRICK COMPANY

WAYNESBORO, PENNA.



The 120,000-bbl. Va. Apple Storage, built at Winchester in 1929, has since paid for itself in profits.

FRICK CO.
WAYNESBORO, PENNA. U.S.A.
DEPENDABLE REFRIGERATION SINCE 1882

folks in trouble except deliver a baby. He would do that if it had to be done.

"Some one has to do these things."

Some one should write a history of the Midgett family, except that the Midgetts are not vocal. Their stunt is in doing things. They have lived along the coast ever since there was a coast, they do not know when the first Midgett got there, they do not care particularly, and they are born surfmen. One of the things they do as a part of their drill is to upset a lifeboat, go under water with it, right it, and get back in the boat and at their oars in no time at all. In 15 seconds, to be precise about it. They do this because, in doing their work, their lifeboats are sometimes upset and it is highly advisable that they know how to get the overturned boat right side up and themselves back in it. They like to do it for fun when the practice is over.

Perhaps the Midgetts are descendants of that lost colony of Roanoke Island. No one knows. They make no such claim. The thing that seems certain is that, when the Midgetts first came to the coast, it was clothed deep in forest. The trees came down to the water's edge. Even yet the stumps of giant grape vines are to be found on the edge of the sand dunes that have rolled over the woodland. Or perhaps the trees were cut off or burned off. No one knows. There is the sand and there are the Midgetts.

A bit of collateral evidence to something or other might be cited, in that the little settlements along this desolate coast are the only places in America, so far as I know, in which Old Christmas is celebrated. The change from the Julian to the Gregorian calendar was first made in 1582.

Brilliant rescue

IT WAS John Allen Midgett who handled the boat which made the most sensational rescue at sea of which I have ever heard. The British tanker *Mirlo* had been torpedoed by a German submarine. The oil in the tanks caught fire and blew up and the sea was covered with a roaring blaze. Three boats had been launched from the *Mirlo* before she sank. One of them got clear away, the second capsized and the third was unable to get out of the danger area. A heavy sea was running. The Coast Guard surfboat coasted along the edge of the flame until, through a gap in the smoke, John Allen Midgett sighted the capsized boat with six men clinging to her keel.

"Give way," ordered John Allen. Everyone who knows him well calls him John Allen.

The Coast Guard boat went into that drifting blaze and saved the six men. They had been badly burned, al-

though they kept under water as best they could. The Coast Guardsmen were burned, too, but they found the third boat drifting helplessly with its overload of 19 men and brought it to shore.

I talked with John Allen Midgett recently, but he did not mention the *Mirlo* or the Congressional gold medals that he and his men were given. He had seen plenty of brant lately, he said. Weakfish were running. Some good catches of blues had been made. In the Dismal Swamp, back of his stretch of cheerless coast, deer and bear were to be found, and alligators. A little northerly for alligators, it is true, but there they are.

Watching for icebergs

IT WAS because of the Coast Guard's merit that the International Ice Patrol was placed in its hands when it was created by the nations after the sinking of the *Titanic*. Each of the maritime countries contributes to the cost of the patrol, and no matter how some of them may regard the war debts they owe us not one of them has ever failed to carry its share of the Ice Patrol. Nor has there been a major disaster due to icebergs since that patrol was agreed to in 1914—to be interrupted, of course, by the far greater danger of the world war.

The Coast Guard is collaborating with scientists in a study of what might be called the biology of bergs. Now they think they are able to predict the ice characteristics of the North Atlantic a season in advance. Bergs calve according to nature's law. Very helpful.

One would think that the activities of the Coast Guard are not merely businesslike, but grim. But there is a lighter side. It is permitted by law to supervise regattas and similar water carnivals, and this supervision has become a tradition that has all the force of statutory law because of the incurable light-headedness of the landlubber who goes out in a boat.

Show a man who has just paid \$2,000 for a fast launch and \$78 for a form-fitting blue jacket, some duck pants, and a cap all over gold rococos an apparently open speedway and he will send his launch into it. The fact that the speedway will shortly be spotted with speed boats running all the way up to 90 miles per hour or loafed over by \$1,000,000 racing yachts will not affect him at all.

If it were not for the Coast Guard, regattas in American waters might as well be conducted in bathtubs with toy boats. So far as racing courses at regattas can be kept clear, the C. G. kept 386 of them clear in 1937. This was an increase of 96 over the previous year, which seems to prove that

our yachtsmen either have more time or more money.

The Coast Guard personnel numbers approximately 10,000. The seven new 327 foot cutters which are being built for it—the *Bibb* is already in commission—will be about the ablest craft afloat. No storm ever blew hard enough to keep the Coast Guard in sheltered waters if its services were needed, and hence the boats that work off-shore are built for the roughest possible weather rather than for speed.

The inshore boats are a different proposition. They are intended more for law enforcement than for high seas work, and some of them can do 25 knots and keep it up, which is more than any smuggling craft has been able to do. They were a heritage of the prohibition era, when the liveliest industry on earth was in bringing liquor into a high-minded but very dry people. There are about 200 cutters and patrol boats of various speeds and sizes and about 25 harbor craft.

Commandant R. R. Waesche, having the rank of Rear Admiral, is in command at headquarters, and the 10,000 and more miles of coast are watched over by nine divisions, each with a Division Commander having the rank of captain. Lakes and rivers are patrolled as well as the sea, and the aviation wing is—within the limits of common sense—as contemptuous of rough weather as the big cutters. One of the fishing fleet on the Grand Banks radioed that it had a man aboard suffering from acute appendicitis. It is a part of the Coast Guard's business to watch-and-ward over the fishermen. A plane was sent out:

"It was too rough to bring the plane close to the schooner," read the report as filtered through landsman's eyes.

Daring in rough water

A TOUCH of a fragile wing against the schooner's side would have wrecked the plane. But the poor devil of a seaman was strapped on a cot and a whip was rigged and he was lowered to the cockpit of the plane as its pilot held it away from the schooner in the thrashing seas, and he was taken ashore to ultimate safety.

The pilot thought nothing of the feat. Just in the day's work. The planes are not the best that can be had, due to the fact that federal economy finds strange ways in which its wonders to perform, but they are good, sturdy, husky boats for all that.

Perhaps the best thing about them is the radio equipment. The Coast Guard Academy at New London, in which aspirants for commissions in the Coast Guard are educated, makes a specialty of radio, and the instru-

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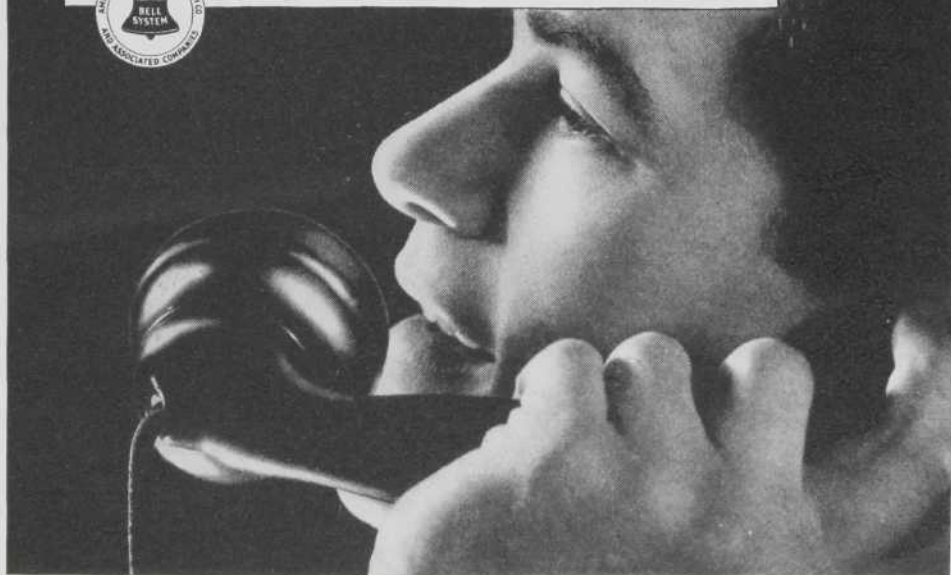
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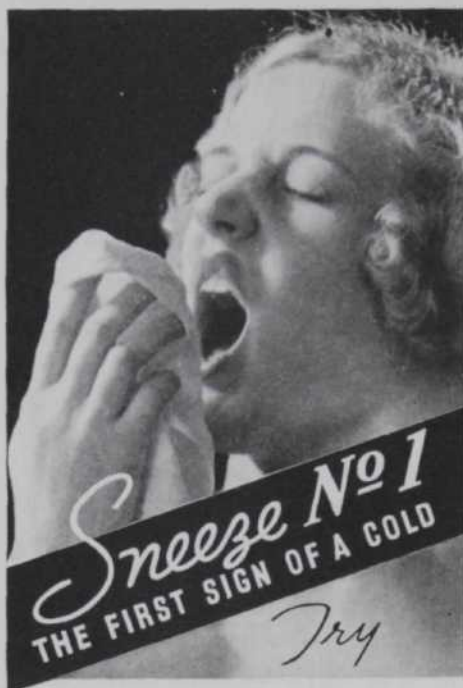


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By Bell System CONFERENCE TELEPHONE SERVICE this Cincinnati plant superintendent is talking to the Chicago headquarters on page 92 and the St. Louis warehouse SEE PAGES 92, 102 manager on page 102, exactly as if they were all sitting around the same table. Conference Telephone Service gets busy executives together quickly — saves miles, minutes and money. Try it. Ask Long Distance for the Conference operator.





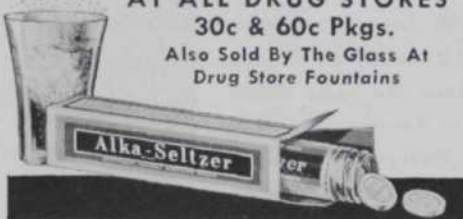
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Since it is a recognized fact that most colds are accompanied by an over-acid condition which may be retarding nature in her battle against the complaint, Alka-Seltzer is especially helpful because it acts to restore your normal alkaline balance. And because Alka-Seltzer contains an analgesic (sodium acetyl salicylate) it gives prompt relief from the dull aching feeling of a cold. Thus Alka-Seltzer gives relief in TWO ways.

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ments are planned not only for work in the air, but when planes are down in a plunging sea. If Amelia Earhart had had a Coast Guard radio her bright life might have been saved.

The Coast Guard has always been this kind of a service. Its motto is "Always Ready," and an officer who is not ready when called on is through at that moment, and he knows it. One of the traditions is of a call for volunteers for a job that seemed to carry death warrants with it. Every man of the crew stepped forward—except one. When he got ashore he left the service.

It was formed, or its predecessor was formed in 1790 for the purpose of stopping the smuggling which was costing the Treasury of the newly-born United States so much annual loss. The Navy of the United States did not come into being for some years later. It was at first known as the Revenue Cutter Service.

Later a life saving organization which had been supported by private philanthropy was taken under the Government's wing and, for a time, the two services operated in harmony and with a certain amount of cooperation. In 1915 they were amalgamated under the name of the United States Coast Guard Service, and in 1917 went to war. That was no new

trick for the Coast Guardsmen. They had taken part in every war at sea we have ever had. One cutter got into a war of its own with Jean Lafitte, the pirate of the Louisiana coast, and won its single fight.

The Coast Guard supplies the Captains of the Ports of New York, Hampton Roads, Norfolk, Newport News, Charleston, Galveston, Port Bolivar, San Francisco, Chicago and wherever else a Captain of the Port is needed. It patrols, inspects and controls many other ports. Its officers must be versed in maritime law as well as in seamanship. Its airplanes help guard the Mexican borders against unauthorized immigrants as well as against smugglers and it enforces the regulations governing the anchoring of vessels and the rest of its list of duties is too long to be printed here. There is one thing about the Coast Guard that no one ever sees nowadays. At least not many persons see it.

"The Coast Guard cutter was sent to the rescue—"

The reason is that this line appears so frequently it has become a commonplace. The business man does not see it with his mind's eye any more than he takes conscious notice of the printed date when he reads his morning paper. It's just there.

Shake Hands With Our Contributors

IN A laudable effort to start the new year right, we give you the opportunity in this, the January number of NATION'S BUSINESS, to meet several writers who are new to our columns, and to renew acquaintance with several others.

Turner Catledge, although not strictly a stranger to NATION'S BUSINESS readers, seldom takes time off for writing except that required by his job as Washington correspondent for the New York Times. Some months ago he prepared an article for us. More recently he has had a series in the *Saturday Evening Post*.

Stephen Leacock, for many years a member of the McGill University faculty, is widely known as a versatile author. His books and articles include essays, burlesques, and works on history and political science.

Frank H. Allen has done considerable research on the personalities of some of the early settlers in this country. The article on Isaac Allerton is one of several growing out of that research.

Howard Wood is financial editor of the *Chicago Tribune*.

Luther Bell has long been active in the trade association field. He assisted in the organization of and was for nine years an official of the Aeronautical Chamber of Commerce of America. At present he is serving various clients as trade relations counsel.

W. A. Patterson is president of United Air Lines Transport Corporation.

Coming in February

IN THE February number, Frank Purnell, president of the Youngstown Sheet and Tube Company, will give a factual answer to the repeated statement that his industry sucks the strength and vitality out of its workers and then casts them off on the scrap heap. Prof. Irving Fisher contributes a timely article with some suggestions for correcting the income tax laws. Birchard E. Wyatt, co-author with William H. Wandell of "The Social Security Act in Operation," explains without bias the problem wrapped up in the social security reserves and Thomas N. Carver will demonstrate why "you cannot measure a man's friendship for labor by his hostility to business and industry."

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New York City

1854

1938



The Business Man on the Mayflower

(Continued from page 26)

Considering the obstacles which confronted him—financial, political, religious—Allerton achieved a masterpiece of refinancing. Somehow he persuaded the disgruntled creditors to cross off most of the 7,000 pound debt outstanding, and settle for about 2,400 pounds.

Allerton arranged for himself, Bradford, Winslow, and several others to assume the entire indebtedness for this lesser amount. Of this sum, 1,800 pounds was to be paid to the Adventurers in nine annual installments of 200 pounds each. In return, the Adventurers relinquished all claims upon the Colony.

A basis of trade

THAT Allerton and his associate underwriters might have a source of revenue to pay off this debt, they were granted a six year monopoly on the Colony's trade. As one stipulation, the partners agreed to supply the Colony every year with shoes and hose to the amount of 50 pounds to be sold to the colonists for corn at six shillings a bushel.

Allerton, upon the request of his American associates, succeeded in procuring from the royal council for New England a patent for an exclusive trading district on the Kennebec River.

Even today, with long distance telephone and radio, it is none too easy to carry on trans-Atlantic business relations. In Allerton's day of sluggish sailing vessels constantly threatened by pirates and shipwreck, the difficulties were infinitely greater. So Allerton, on behalf of the colonists, persuaded one of the four London partners, James Shirley, a goldsmith (the banker of that century), to act as resident agent in London.

Shirley, however, wrote to the Americans suggesting that, because he was sickly and his sudden death might endanger the affairs of the Colony, they appoint John Beauchamp, another London partner, to serve as joint agent. He enclosed a comprehensive power of attorney giving himself and Beauchamp large authority. The Plymouth partners signed the document, and from that time, November 18, 1627, Shirley and Beauchamp had full power to act for the Colony.

Just when the friction between Governor Bradford and Isaac Allerton began has remained a mystery.

No doubt early in their association as governor and assistant governor the two strong-willed men found their contrasting temperaments at variance. Bradford, the pious, narrow-minded cultist, must often have been out of harmony with the tolerant, practical-minded Allerton, who very early shocked the stricter Pilgrims by his liberal actions.

Allerton's marriage with Fear Brewster strengthened his already high position in the Colony. His personal prosperity must have astonished his less competent associates. And Bradford would have been less than human if he had always preserved close relationship with so formidable a rival without jealousy and resentment.

In his "History" Bradford shows one of the first signs of his displeasure in the fall of 1628. Then Allerton had returned from England to Plymouth and had brought back, according to Bradford, "some goods of his own and sold them, which was looked on with some jealousy by his partners in Plymouth."

"But," Bradford continued, "they



CULVER SERVICE

resolved to send him to England this year (1629) considering how well he had done the former business, and what good acceptance he had had with friends there."

Again in England, Allerton worked hard in the interests of the colony. The Kennebec patent proved faulty, and he labored to obtain a new one.

"Mr. Allerton," wrote Shirley to Bradford regarding the problem, "was so turmoiled about it, as, verily

I could not, nor would not, have undergone it if I might have had a thousand pounds; but the Lord so blessed his labors (even beyond expectation in these evil days) as he obtained the love and favor of great men in repute and place.

"He got granted," continued Shirley, "from the Earl of Warwick and Sir Ferdinando Gorges all that Mr. Winslow desired in his letters to me, and more also, which I leave to him to relate."

Shirley told also of Allerton's success in petitioning the King for a grant of incorporation similar to that of Massachusetts; and of his daily attendance at the council table.

But the complicated cogs in the royal Government turned slowly, and Allerton had to leave the matter in the hands of a solicitor when he was forced to return to America.

Shirley wrote to the colonists urging them to send back Mr. Allerton in order that he might negotiate the granting of the patent.

"But such things must come by degrees," wrote Shirley. "Men cannot hasten it, as they would; wherefore, we (I write in behalf of all my partners here) desire you to be earnest with Mr. Allerton to come, and his wife to spare him this one year more to finish this great and weighty business which we conceive to be much for your good and, I hope, for your posterity and many generations to come."

Bradford's own account of the episode seems uncharitably tinted with sour grapes.

"It was afterward apprehended," he wrote about 20 years later, "that the main reason the business of the patent was not concluded this year was that Mr. Allerton's policy was to postpone it, that he might again be sent over to conclude it."

Circumstances, to be sure, caused the personalities of Bradford and Allerton to differ more and more widely each year. Allerton's necessarily wide and friendly business associations as a successful merchant and his experience in the gay and sophisticated life of London mellowed his religious zeal and made him view the frailties of man with greater tolerance. Bradford, on the other hand, remained isolated in the wilderness with practically no associations but those of like-thinking religious colleagues.

When Allerton returned from England, he offended both Bradford and Standish by hiring as clerk or secretary a brilliantly intelligent fellow passenger, Thomas Morton. Unfortunately for Allerton, Morton was that irrepressible young rascal whose dissipated revels at Merry Mount under the noses of the horrified Pilgrims had caused his arrest by the

doughty Captain Standish and his expulsion as an undesirable citizen. Now the impudent fellow was back again in the Colony and employed by Allerton!

The tension between Allerton and Bradford reached the breaking point after the unprofitable purchase of two ships by Shirley on behalf of the partnership. Bradford blamed Allerton; and Allerton withdrew from the partnership.

Pilgrims poor at business

FROM that time on, the Plymouth partners, without Allerton's experienced assistance, allowed their business affairs to degenerate into a hopeless muddle. With responsibility in their own hands, and with practically no day-to-day record of their transactions (Winslow's brother being worse than useless as an accountant), it is not strange that, in a reckoning with the London partners and agents five years later, both sides wrangled bitterly over settling the topsy-turvy accounts.

But the London business men had a systematic record in black and white verifying their claims, while the bungling Pilgrim innocents had none. So what was more natural than for Bradford, upon whom as governor the responsibility rested, to shift the blame upon Allerton?

Historians, however, in checking Allerton's accounts with the partnership have found that his management of the business was conducted with scrupulous honesty.

After severing his partnership with the Pilgrims, Isaac Allerton continued his activities in the fishing industry and coasting trade.

He was the founder of Marblehead, the headquarters of his fishing fleet, where he established a large warehouse. He lived here with his son-in-law, Moses Maverick.

But Allerton's friendship with Roger Williams and his own liberal views brought upon him the displeasure of the Massachusetts theocracy. So when they gave him "leave to depart from Marblehead," he "transferred all his houses, buildings and stages for curing fish at this place to his son-in-law, Moses Maverick," and journeyed south to make his home for the next ten years with the Dutch in New Netherland.

Trouble had fallen upon him in 1634 and 1635. The French had seized and destroyed his trading house at Machias. He himself narrowly escaped that same year when "Mr. Craddock's house at Marblehead was burnt down about midnight, there being in it Mr. Allerton and many fishermen whom he employed that season." A pinnacle of his was lost on a



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This St. Louis warehouse manager is in conference, by Bell System **CONFERENCE TELEPHONE SERVICE**, with the big boss in Chicago (page 92) and the Cincinnati plant superintendent (page 97). Miles apart, SEE PAGES 92, 97 the three men talk and listen in turn on the same connection. Conference service is the fast, easy way to get information direct to the right people, with full discussion for complete understanding.



trading voyage. His wife died in 1634. And in 1635 after his expulsion from Marblehead, a bark he owned sank and carried to their deaths 21 persons. The next year he himself was shipwrecked.

Living in New Amsterdam, again among the friendly Dutch of his youth, he built a warehouse on the East River and sent his boats up and down the Atlantic in the tobacco and coasting trades. On his own many voyages he visited Virginia and the West Indies; not forgetting, of course, that in his busy life he crossed the ocean to England seven times.

Helped his compatriots

AS A prosperous and important Englishman who was fluently at home in the Dutch language, he frequently was called upon to extend a helping hand to his compatriots who were in distress. One rather intriguing example shows up in the old records of the Dutch on Manhattan. An attractive English woman whose name the Dutch spelled Nanne Betts had the disconcerting habit of being caught in bed with someone other than her husband. This husband died, and the young widow soon married again. And Isaac Allerton, with his customary generosity, not only lent her 755 guilders to start life anew, but became guardian of her fatherless daughter, Eva.

While in New Netherland he endured with the Dutch the hardships of the Indian uprising which was brought on by the stupidity of Governor Kieft. In 1643 Allerton was chosen as one of the council to assist the executive, and later signed the famous protest of the citizens to the Staaten Generaal.

He established a permanent home in New Haven about 1647. And, having married again at the age of nearly 60, he lived here with his wife in a "grand house on the Creek with Four Porches" until his death in 1659.

Such was the adventurous life of one Pilgrim Father. Isaac Allerton, more than any other of those colonists, typified the self-reliant, enterprising business man.

Perhaps, with his temperament, he was uncomfortably out of place in that group of unworldly religious devotees, but history would seem to show that no government can long endure without the active support of practical business men to give it substance. And it is a sardonic fact that, after Isaac Allerton left the brave little Plymouth Colony, its steady dissolution ended with its final absorption into the tougher-fibered corporation of Massachusetts.

It is a wise government that uses, instead of abuses, its Isaac Allertons.

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The World's Muddle Over Gold

(Continued from page 20)

the mining industry but could never lower prices so long as there was no mechanism of open mints and free coinage.

In other words, the paper dollar price of gold has no effect on the paper dollar price of eggs; both are mere individual cases of price, neither eggs nor gold is the medium of exchange.

What then, one asks, regulates ordinary prices and wages as apart from the price of gold and the foreign exchanges. Simply this:

Supply and demand rule prices

PRICES, in paper dollars, when gold was cut out, stood at a certain level. Since then they have gone up and down according to the amount of paper dollars, the number of buyers and sellers and the opportunities for business; which of themselves expanded trade and sent prices up, or contracted it and sent them down. This is the familiar equation of price with the gold left out.

Prices won't budge if the gold dollar is "redefined" as more or fewer grains, unless it is coined and circulated.

Consider the fact that the Canadian dollar is still defined as 23.32 grains, and exchanges on equal terms with the "redefined" American dollar supposedly about 40 per cent less. De-sterilizing \$300,000,000 of gold and adding them to bank credit won't raise prices one inch, unless someone wants the credit. You can take a horse to the water and you can take a manufacturer to the teller's wicket but—without thirst—there it ends.

Our domestic prices, even with all that, hop up and down more or less as they did when they were the kite on a long credit string with the gold standard as the anchor. The string was so long and the "swoops" so swooping that the kite (over a short period) seemed free.

But the difference is in the foreign exchanges. Here the whole mechanism of the world's payment has practically broken down. This is the cause of the great crash of the money value of securities in the autumn of 1937. The straw has broken the camel's back.

When gold payments stopped, the economists invented a recondite phrase, "purchasing-power-parity," to explain how international trade could and would still be carried on. The phrase had just that nice obscurity that goes with economic wisdom. In

plain language it means that it doesn't matter if one country uses paper dollars and the other paper francs or paper pounds sterling. Trade in commodities will be based on how many commodities a paper dollar buys in one country and how many a paper franc buys in another. Round the center the paper exchanges will fluctuate.

This contention is one of those beautiful theories that are true "in the long run"—provided that nothing happens to upset them in the short run. But the long run is so long, the disturbances and jolts so many and so unexpected, that the "purchasing-power-parity" doesn't come off. It's like the horse that should have won the race or the stock that ought to have gone to a hundred.

Hence international trade has wobbled, slackened and now is threatening to stop, its current coagulated with the snake poison of inconvertible paper.

The "equalization funds" traded back and forward are a delusion; they can only stop a too great pressure, or stimulate a temporary flow; that is, make a little more uniform such trade as exists, but the volume and current they neither create nor truly control. It is a barrier that can break at any time.

The idea of restoring gold payment meets a shout of denunciation from those who take for granted that gold means low prices and low wages, the cruel pressure of "deflation."

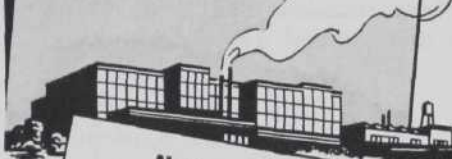
Free coinage would help trade

THIS "cross of gold" has become a mass idea and a mass has only one idea at a time. But reason shows that if we lighten the coins, make say \$40 out of an ounce, then, with actual coinage, up go wages and prices. For foreign exchanges and investment, gold is gold and certainty is certainty; and the buying and selling themselves will regulate the flow. All this knowledge is as venerable as Adam Smith, as sound as the British Exchequer and as plain as Abraham Lincoln. But the world ostrich has put its head in the sand with its other end up. What's the good of talking to it?

The gold standard means redemption of money on demand. Here rises another shout. All our gold will be taken! Let it go. Nothing's lost. You can issue the paper again, and redeem it when you can.

A nation temporarily short and not redeeming is no worse than the best nation is today and has been these ten years.

All the advantages of
LOW PRODUCTION COSTS
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LaSalle Extension, Dept. 1374-RChicago

What Can Be Done About Housing?

(Continued from page 61)

basic rates of taxation. Taxes should be based directly on annual rental value or actual rent received. In some instances the relieving for a definite period of years of the real estate tax on new construction has increased building activity. *Bona fide* operating real estate companies should be specifically excluded from classification as personal holding companies.

Costs Must Be Kept Down

The cost of house, land and financing should be kept under \$5,000 with down payment as low as possible. Carrying charges such as interest, amortization of mortgage principal, taxes should be reduced when possible.

It should be remembered that the interest on a \$3,000 loan at five per cent will cost \$1,270 on a 15 year basis or \$1,750 on a 20 year basis.

The Lumber Manufacturers Association has cooperated with dealers to build more than 2,500 demonstration houses in 1,000 communities at low cost—\$1,250 for a four room bungalow in the South to a \$5,000 six-room colonial in New England.

The Structural Clay Products Institute has for distribution 26 plans for small homes built by clay products masonry at approximately \$5,000.

Use good equipment in house, but not fancy fixtures. You can't put \$4,000 worth of equipment in a \$5,000 house.

Labor must be supervised by a competent person who knows how long it should take to plaster a room or frame a house.

Recondition and Modernize or Else Demolish Obsolete Homes

Reconditioned homes are fine prospects for same field that buys used cars.

Sell Shelter as Automobiles are Sold

Sell the home as shelter plus convenience plus luxury. Don't ignore the women in selling and advertising appeals.

Emphasize what the home dollar will buy in comparison with other commodities. A bushel of wheat in 1932 would buy nine board feet of lumber—today it buys 20 feet. It bought 60 pounds of Portland cement in 1932 and 164 pounds now. In 1932 a bushel of corn bought 16 bricks—today it will buy 32.

The housing dollar produces a better house today than it did a decade ago by from one-fifth to one-third.

Don't try to sell a house for more than prospect can afford.

Eliminate Jerry Building and Land Speculation

Encourage lending agencies to make more thorough investigation of their client's proposed purchase and fol-

low it up with an efficient inspection service that will insure the customer a good buy for his money and eliminate future feeling that he has been "gypped."

Encourage Development of Rental Properties

About 50 per cent of population are renters and perhaps the percentage will rapidly increase.

Large scale developments built from the ground up and all in one operation are secure from invasion. Their physical maintenance and social quality are permanently protected.

The Federal Housing Authority authorizes insurance on large-scale housing projects up to \$10,000,000 with 20 year mortgage. Due to protection against depreciation they offer an inviting investment proposition, according to F. H. A. officials, because they will be clear and bring in a high return at end of mortgage period. If desirable, the management may sell the individual units at once and rent those not immediately disposed of. Municipal corporations are also eligible for this insurance.

A limited dividend corporation of this sort was organized in Washington, D. C., in 1897 by a group of citizens interested in providing sanitary housing for families in lower income groups. It paid dividends of five per cent from its inception to 1923, has paid six per cent ever since and allowed two per cent each year for depreciation. The company rents apartments at from \$12.50 to \$40.00 a month.

Blighted areas are particularly adapted for these rental housing projects, provided the city throws safeguards around the district.

Four projects of this type are now operating on the outskirts of Washington, D. C. The principal mortgage on each is held by a large insurance company and insured by FHA. Each project is a neighborhood by itself and rents are at least ten per cent lower than in the city proper. Managers of each property report a waiting list of from 500 to 1,000 applicants.

Coordinate Manufacturing and Distribution System in Building and Supply Industries

Efforts of lumber and clay products manufacturers and dealers have already put building information into the hands of more than 1,000,000 prospects for small homes. Their brochures on small home plans may be obtained by writing to the National Lumber Manufacturers Association and the Structural Clay Products Institute in Washington, D. C.

Manufacturers of building materials and equipment should devise most efficient and lowest cost methods of using their products and assist in training the various crafts in

their proper use to prevent unnecessarily high quotation of prices.

Cooperate with Organized Labor

Ask labor to accept the responsibility of assuring the buying public that projects once started will not be delayed and disrupted by strikes and labor disputes—that so-called sympathetic walk-outs occasioned by happenings in disassociated and non-connected enterprises will be prohibited—to speed up training of apprentices. Devise a plan whereby a minimum number of hours of work may be guaranteed in lieu of extreme hourly wages.

Central Local Organization of All Groups Interested in Building

There should be a community development of centralized organizations which will combine transactions necessary to provide houses, including acquisition and improvement of real estate, construction, financing, insuring and selling of houses. Municipal aid to such private organizations could take the form of assembling through condemnation and preparing land in slum areas and elsewhere and then selling such land on favorable terms to private housing companies which would be regulated as to rentals and other conditions necessary to insure provision of low-rent dwellings.

Local chambers of commerce might take lead in organizing this central group in each locality. The chambers might also set up a service similar to the Federal Home Loan Bank's Home Building Service for benefit of inexperienced but prospective home builders. Every chamber should have a department of construction or at least an active committee on the subject.

Tabulation of Accurate Data by Local Agencies

Practically all authorities agree that the need for answering such questions as the following in every community is imperative. What is the need for housing? Where? Of what type? For what income groups? With what conveniences?

Present available figures are incomplete and fail to tell the story in many communities where conditions vary. The current indices of building costs are heavily weighted with a few basic commodities. Fail to show such factors as price of home equipment such as oil burners, refrigerators, etc. Fail to show operating efficiency of builder. Comparative averages are national and fail to show communities where costs are below average.

A few examples of reports worthy of study are:

Real Property Inventory of Cleveland

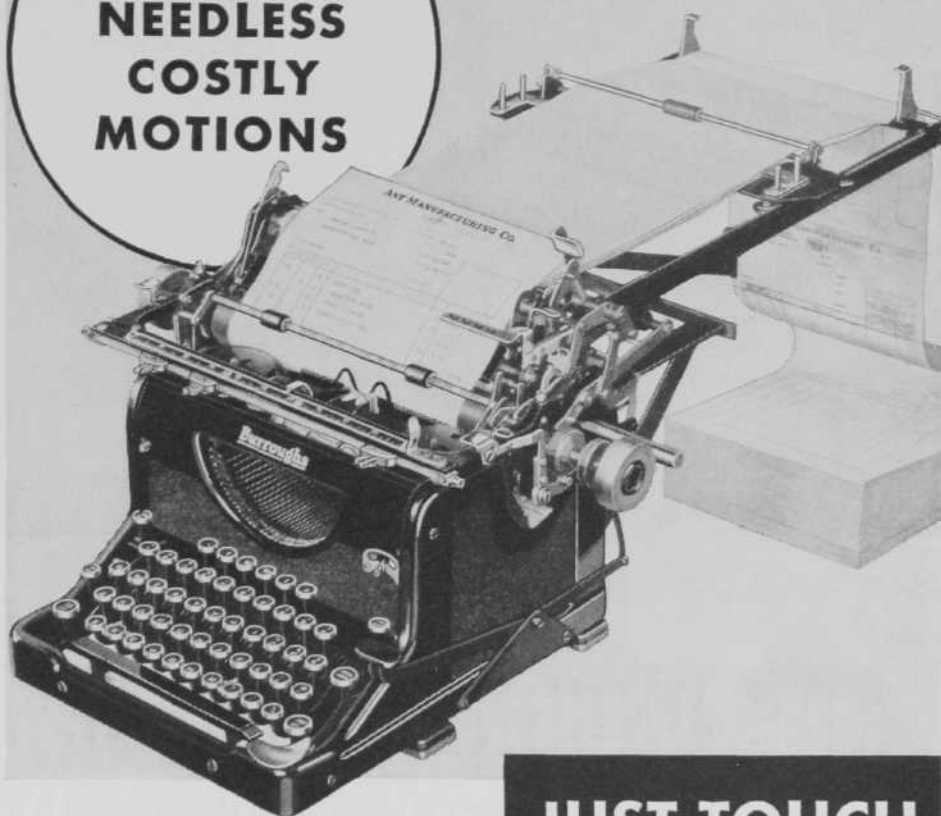
The Demand for Homes by the Oakland Chamber of Commerce

The Financial Survey of Urban Housing by Dept. of Commerce

Real Property Inventory Made in 64 Cities in 1934 by the Department of Commerce

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Your own firm, a thousand miles away, may suffer heavily from these so-called local or sectional disasters. Your "receivables" may be irretrievably lost in the ruins.

You can't control unbridled nature, or human nature, or circumstances which cause credit losses; you *can* control your own credit losses very accurately. Insure your sales.

Credit Insurance provides for the safety and liquidity of your working capital. It insures *profit*. If debtors cannot or will not pay for goods shipped under the terms of the policy, you are promptly reimbursed.

Credit Insurance prevents miscarriage of your executive plans, encourages your sales force, adds collateral to the judgment of your credit manager.

General and specific coverage is now available to Manufacturers and Jobbers. Insure special groups, individual debtors. Ask any American Credit representative for full information.

AMERICAN CREDIT INDEMNITY CO.

of New York

J. F. McFadden, President

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Index of ADVERTISERS

January • 1938

	PAGE
Aluminum Company of America.....	2nd Cov.
American Automatic Electric Sales Co.	60-107
American Chain and Cable Company, Inc.	3
American Credit Indemnity Co. of N. Y.	106
American Mutual Alliance.....	53
American Telephone & Telegraph Company.....	92-97-102
Association of American Railroads.....	86-87
Burroughs Adding Machine Company.....	41-105
Canadian Pacific.....	93
Cast Iron Pipe Research Assn.....	67
Caterpillar Tractor Company.....	70-71
Chevrolet Motor.....	51
Chicago Tribune.....	108
Commercial Credit Company.....	83
Cunard White Star Line.....	102
Curtis Publishing Company.....	48-49
Cutler-Hammer, Incorporated.....	47
Detex Watchlock Corporation.....	85
Dick, A. B. Company.....	14
Eaton Paper Corporation.....	101
Elliott Addressing Machine Company.....	102
Felt & Tarrant Manufacturing Co.....	45
Fisher Body Division.....	3rd Cov.
Ford Motor Company.....	65
Frick Company.....	96
General Electric Company.....	2
Goodyear Tire & Rubber Co.....	12
Harris-Seybold-Potter Company.....	92
Hartford Steam Boiler Insp. Ins. Co.....	8
Heating & Ventilating Exposition, 5th International.....	88
Household Finance Corporation.....	68
International Business Machines Corp.....	81
International Harvester Company.....	4
Iron Fireman Mfg. Company.....	7
Lancashire Industrial Development Council.....	104
LaSalle Extension University.....	104
Leipzig Trade Fair, Inc.....	80
Lennox Hotel.....	102
Liggett & Myers Tobacco Company.....	4th Cov.
Live Stock National Bank, The.....	104
Lumbermens Mutual Casualty Co.....	89
Maryland Casualty Co.....	77
Mayfair Hotel.....	98
Metropolitan Life Ins. Company.....	43
Miles Laboratories, Inc. Dr.....	98
Monroe Calculating Machine Co.....	6
Morse Chain Co.....	11
Nation's Business.....	99
National Board of Fire Underwriters.....	69
National Dairy Products Corporation.....	75
New York Times.....	95
Norfolk & Western Railway Co.....	76
North Carolina, State of.....	103
Preformed Wire Rope.....	91
Plymouth Motor Corporation.....	1
Pullman Company, The.....	55
Remington Rand, Incorporated.....	9-58-59-79
Republic Rubber Company.....	97
Reynolds R. J. Tobacco Company.....	57
Talcott, James, Inc.....	100
Underwood Elliott Fisher Company.....	73
Western Electric Company.....	10
Willard Hotel.....	89
Wing Manufacturing Co., L. J.....	100

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To move billions of dollars of merchandise sold in individual units to individual customers, America's retailers depend chiefly on newspaper advertising. From first hand experience they know that it produces at once the volume of store traffic and sales which they require day in and day out regardless of weather, season or general conditions.

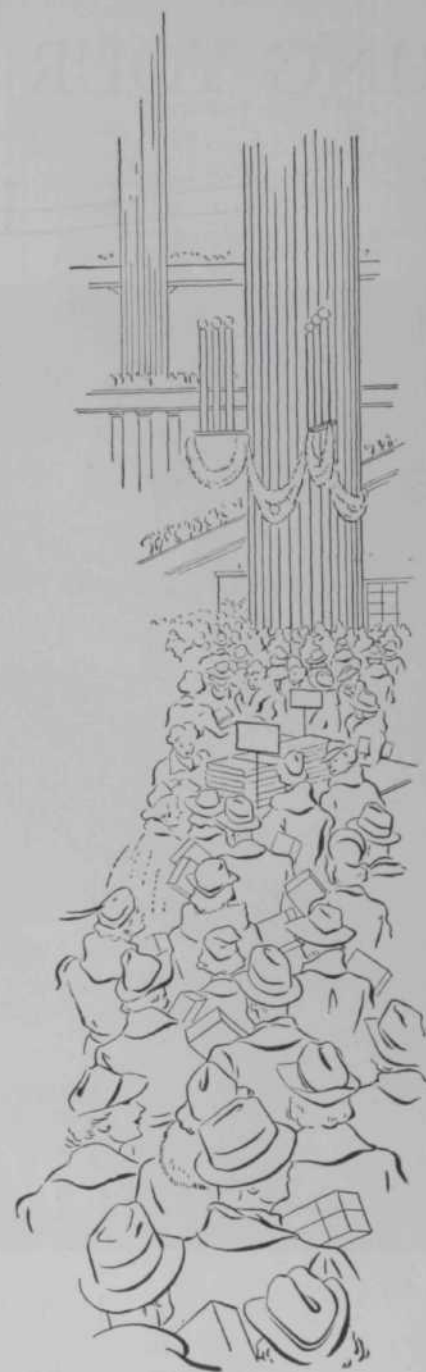
The newspaper is the medium in which the manufacturer can present his product with pictures, diagrams and detailed explanations so as to get full appreciation of its beauty, value, utility and economy.

It is the medium in which he can discuss policies of management in full . . . and be sure of reaching the audience most important in creating favorable public opinion or volume sales.

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It is the medium in which he can start and stop advertising to suit changing conditions and in which he can increase or reduce it in relation to consumer buying power and trade conditions.

It is the medium which he can use to give his dealers direct selling help in the communities from which they must draw patronage if they are to remain in business.



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